

Hiring and Selecting Employees for a Business Transformation Project

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Introduction:

Tesco is the largest private-sector employer in the UK and is going through major changes in the way it operates and manages its workforce. These changes are mainly driven by new digital technologies, strong competition, and the increasing use of flexible working. With more than 300,000 employees working in stores, distribution centres, and offices, Tesco has changed many of its working practices. While these changes help improve efficiency and customer service, they have also led to more employee concerns about heavy workloads, lack of digital skills, unfair flexible working arrangements, and differences between departments.

In recent years, Tesco has introduced several digital technologies, including self-checkout systems, AI-based demand forecasting, HR self-service portals, and digital communication tools. The company has also supported employee wellbeing by offering hybrid working for office staff, flexible shift patterns in stores, and digital rota management. However, introducing these changes quickly has created new challenges for HR, especially with the new UK law that gives employees the right to request flexible working from their first day of employment.

To deal with these challenges, Tesco needs modern and evidence-based HR practices that support its business goals. This includes better workforce planning, digital skills training, clear rules for using employee data, fair hybrid-working policies, and stronger communication with staff. Departmental managers also play an important role because they work closely with employees and are responsible for putting HR policies into practice.

This report aims to:

Explain the main organisational factors driving business transformation, digital technology, and flexible working at Tesco.
Evaluate modern HR practices that can help Tesco manage these changes.
Critically assess how departmental managers can ensure these HR practices are implemented quickly and effectively.

The report ends with practical recommendations to help Tesco build a fair, digitally skilled, and high-performing workforce.

1. Explanation of Organisational Factors at Tesco

Tesco's working environment is changing because of business transformation, new digital technology, and the growing use of flexible working. These changes affect employees' daily work, job expectations, and the way HR manages the workforce.

1.1 Business Transformation Factors

Over the past ten years, Tesco has made many changes to improve the way the business operates. One of the main reasons is to reduce costs and compete with retailers such as Aldi, Lidl, and online stores (Lewis, 2022). As a result, Tesco has changed its business processes, brought some support services together, and introduced different store formats. These changes have created uncertainty for employees about their job roles and future job security. Changes to team leader roles and workforce restructuring have also increased concerns about fairness and heavier workloads (Ulrich & Dulebohn, 2015).

Another important change is Tesco's focus on becoming more customer-centred and flexible. Employees are now expected to work across different teams, make faster decisions, and take on more responsibility at store level. This requires new skills and the ability to adapt to change. Some employees may be unsure about their responsibilities or find it difficult to adjust, which can lead to complaints and workplace issues (Kotter, 2012).

Tesco is also working to build a more inclusive, digitally skilled, and high-performing workplace. However, changing an organisation's culture takes time. Employees need clear communication and opportunities to be involved in the process. Without this, they may feel disconnected from the company's goals and values (Schein & Schein, 2017).

1.2 Digital Technology Trends

Tesco uses digital technology to improve efficiency, customer service, and business decisions. Some of the main technology trends affecting employees include:

Automation and Artificial Intelligence (AI): Tesco has introduced self-checkout machines, electronic shelf labels, automated stock management systems, and AI-based demand forecasting. These technologies help improve efficiency but may also make employees worry about losing their jobs or needing new skills (Brynjolfsson & McAfee, 2017).

Digital communication tools: Tesco uses platforms such as Yammer, Microsoft Teams, and digital headsets in stores to improve communication. Although these tools make communication faster, too many digital messages and a lack of proper training can cause stress and reduce employee wellbeing.

Digital HR systems: The My Tesco HR portal allows employees to check their pay, work schedules, annual leave, and training online. However, some employees, especially older workers or those with limited digital skills, may find these systems difficult to use (Marr, 2022).

People analytics: Tesco uses employee data to plan work schedules, monitor performance, and predict future workforce needs. If the company does not clearly explain how this data is collected and used, employees may feel their privacy is being affected, which can reduce trust in the organisation (CIPD, 2024).

1.3 Flexible Working Arrangements

Tesco offers different types of flexible working depending on employees' job roles.

Hybrid working: Office employees, mainly in Welwyn Garden City and London, can work both from home and the office. However, store and warehouse employees usually cannot work remotely. This may make frontline employees feel they are treated less fairly because they have fewer flexible working options (Bloom et al., 2022).

Flexible shift patterns: Tesco uses digital rota systems to organise shifts in stores and distribution centres. These systems help employees balance work and personal life. However, if managers do not use them fairly, some employees may receive less desirable shifts or short notice of their schedules, leading to complaints.

Work-life balance: Digital communication allows employees to stay connected outside normal working hours. Without clear limits, employees may feel pressure to keep working, which can increase stress and lead to burnout (Lewis & Beauregard, 2018).

Legal responsibilities: Since 2024, employees in the UK have had the right to request flexible working from their first day of employment. Tesco must make sure that these requests are handled fairly and consistently across the organisation (UK Government, 2024).

These factors show that managing change in a large organisation like Tesco is complex and requires effective HR practices.

2. Evaluation of Contemporary HR Practices for Tesco

2.1 HR Practices to Support Business Transformation

Strategic Workforce Planning (SWP): Tesco can use workforce planning to predict the skills employees will need in a more digital workplace. It also helps identify training needs and gives employees a clear understanding of future career opportunities, reducing uncertainty (CIPD, 2023).

Structured Change Management: Using change management models such as Kotter's 8-Step Model helps Tesco communicate changes clearly, involve employees, and introduce changes gradually. Good communication reduces employee resistance and workplace complaints (Armenakis & Harris, 2009).

Reskilling Programmes: Tesco can provide digital training, short online learning courses, and workplace coaching to help employees develop new skills. Companies such as Amazon and PwC have shown that investing in employee skills improves confidence, motivation, and adaptability.

2.2 HR Practices to Support Digital Technology

Digital Skills Training: Tesco should provide digital skills training through easy-to-use online learning platforms. This helps employees use new technologies and HR systems with confidence while reducing stress and improving performance (Marr, 2022).

Ethical Use of People Analytics: Tesco should clearly explain how employee data is collected and used for scheduling, performance management, and workforce planning. Being open about data use helps build trust and reduces concerns about employee monitoring (CIPD, 2024).

Digital Wellbeing Policies: The company should encourage healthy digital working by limiting

messages outside working hours, promoting regular screen breaks, and training employees on maintaining work-life boundaries.

HR Technology: Using AI for recruitment, online employee services, and digital onboarding can reduce administrative work. However, employees should receive enough training to use these systems effectively.

2.3 HR Practices to Support Flexible Working

Clear Hybrid Working Policies: Tesco should create clear rules about when employees should work in the office, how teams communicate, and how work is coordinated. Well-planned hybrid working improves fairness and teamwork (Bloom et al., 2022).

Performance Based on Results: Employees should be assessed on the quality of their work instead of the number of hours spent in the workplace. Using objectives and key results (OKRs) can help managers measure performance fairly (Armstrong & Taylor, 2020).

Wellbeing and Inclusion: Tesco should continue supporting employee wellbeing by providing mental health services, suitable equipment for home working, and financial support where needed to improve inclusion.

Fair Digital Scheduling: Tesco should use the same rota management system across all stores to ensure shifts are allocated fairly. Smarter scheduling can reduce staff shortages and heavy workloads.

Together, these HR practices help improve employee skills, wellbeing, fairness, and organisational performance during times of change.

3. Critical Evaluation: How Managers Can Ensure Effective Implementation

Departmental managers play an important role in making sure HR policies are successfully applied in stores, distribution centres, and offices. While HR develops policies, managers are responsible for putting them into practice every day.

3.1 Developing Managers' Skills

Many employee complaints happen because managers have different levels of knowledge and experience. Some managers may not fully understand digital technology, communication, or flexible working laws (CIPD, 2024). Tesco should provide leadership training on digital tools, conflict management, people analytics, and managing hybrid teams. Well-trained managers are more likely to implement HR policies successfully.

3.2 Improving Communication and Employee Feedback

Managers should clearly explain organisational changes, the reasons for them, and how they affect employees. Good communication reduces confusion and builds trust (Kotter, 2012). Tesco can support managers by providing communication guides, briefing documents, and frequently asked questions. Regular employee surveys and team meetings also allow managers to understand staff concerns and respond quickly.

3.3 Applying Policies Fairly

Managers should apply HR policies consistently across all departments. If some managers allow flexible working while others do not, employees may feel they are being treated unfairly. Tesco should monitor managers' decisions and include policy compliance, training

completion, and fair scheduling in performance reviews.

3.4 Setting a Good Example

Managers influence workplace culture through their own behaviour. They should demonstrate healthy digital working habits by avoiding unnecessary messages outside working hours, using technology responsibly, and supporting flexible working arrangements (Schein & Schein, 2017). Employees are more likely to follow policies when managers lead by example.

3.5 Working Closely with HR

Managers should work closely with HR teams and digital specialists when introducing new technology, training programmes, and flexible working arrangements. Strong teamwork helps solve problems more quickly and ensures changes are introduced successfully.

3.6 Monitoring Progress

Managers should regularly review employee wellbeing, performance, and workplace complaints. Some managers avoid difficult conversations, allowing problems to become more serious (Ulrich & Dulebohn, 2015). Coaching skills and digital reporting systems can help managers identify and solve issues early.

Overall, successful implementation depends on managers having the right skills, communicating clearly, treating employees fairly, and working closely with HR.

Conclusion

Tesco's business transformation, increasing use of digital technology, and flexible working arrangements create both opportunities and challenges. These changes improve efficiency, innovation, and employee wellbeing, but they can also lead to concerns about workload, technology, fairness, and communication. HR practices such as strategic workforce planning, digital skills training, ethical use of employee data, hybrid working policies, and performance management can help overcome these challenges. However, these practices will only succeed if managers apply them fairly, consistently, and effectively.

Recommendations

Develop Managers' Skills: Provide training in digital leadership, hybrid working, communication, and conflict management.

Create Consistent Flexible Working Policies: Make sure flexible working and shift scheduling are applied fairly across all departments.

Improve Digital Skills: Offer digital training for all employees, especially frontline staff who regularly use new technologies.

Strengthen Communication: Give managers clear communication tools to explain organisational changes and support employees.

Use Employee Data Responsibly: Clearly explain how employee information is collected and used to build trust.

Increase Manager Accountability: Measure managers based on employee wellbeing, grievance levels, training completion, and fair treatment of staff.

Encourage Employee Feedback: Use employee surveys, listening sessions, and anonymous feedback systems to identify and solve problems quickly.

These recommendations will help Tesco create a fair, skilled, and adaptable workforce that can successfully manage future organisational changes.

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