

Human Resource Challenges and Practices at Marks & Spencer

Module: BALM5002

Module: Developing, Managing and Leading Individuals and Teams

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1. Introduction

Human Resource Management (HRM) is an important part of organisational success because employees provide the skills, knowledge and service needed for a business to achieve its objectives. However, organisations operate in a changing environment and must regularly adapt their HR strategies. The assessment brief identifies three important

contemporary HR challenges: adapting to technological developments, attracting and retaining talented employees, and managing diversity, equity and inclusion (DEI).

This report focuses on Marks & Spencer (M&S), a well-known UK retailer operating across food, clothing and home products. M&S operates in a competitive retail environment where customer expectations, digital technology and employee expectations are continually changing. The company has also placed considerable importance on its people, inclusion and organisational transformation. Its current approach includes colleague development, inclusion networks, wellbeing initiatives and the use of digital technology (M&S, 2026a).

The purpose of this report is to examine three key HR challenges facing M&S: technological advancement, talent acquisition and retention, and DEI. The report then evaluates contemporary HR practices that can help address these challenges. Finally, it critically considers the role of managers in implementing these practices and provides recommendations for M&S.

2. Key Factors Affecting M&S

2.1 Adapting to technological advancements

Technology has changed the retail industry significantly. Customers now expect businesses to offer online shopping, digital services, fast delivery and convenient ways of communicating. For M&S, technological development is therefore important for maintaining competitiveness.

Technology also affects employees. M&S needs workers who can use digital systems and understand new ways of working. The company is investing in digital and technology capabilities, including data, engineering and artificial intelligence (AI). M&S has also been exploring AI tools to support colleagues and managers with everyday work and decision-making (M&S, 2026a).

The introduction of AI can improve productivity because some routine activities can be completed more quickly. For example, technology can help managers analyse information, plan activities and identify business trends. This can allow employees to spend more time on customer service and other activities that require human judgement.

However, technological change can also create problems. Some employees may worry that automation and AI could reduce the need for certain jobs. Others may lack confidence in using new technology. If these concerns are ignored, employee engagement may decrease. Armstrong (2020) explains that HR has an important role in ensuring employees have the skills needed to respond to changes in the organisation.

M&S should therefore treat technology as both a business and people issue. Employees need appropriate training and communication before new systems are introduced. Managers should explain why the technology is being introduced and how it can support employees. This can reduce resistance and help employees understand that technology can improve their work rather than simply threaten their jobs.

2.2 Talent acquisition and retention

Recruiting and retaining talented employees is another important challenge for M&S. Retail businesses require employees at different levels, including customer assistants, store managers, supply chain workers, technology specialists and senior managers. Finding people with the right skills can be difficult because organisations compete for employees with similar skills.

Talent management is not only about recruitment. Organisations also need to encourage existing employees to remain with the business. High staff turnover can increase recruitment and training costs and may reduce productivity. Mullins (2019) explains that employee motivation and organisational behaviour are strongly influenced by management, working conditions and relationships within the workplace.

M&S uses a number of practices to attract employees. Its careers information promotes development opportunities, inclusion and the overall employee experience. The company also provides early-career opportunities and programmes designed to help people develop their careers. For example, M&S highlights stories of employees who started in temporary roles and later progressed towards management positions (M&S, 2026b).

This type of internal career progression can be valuable because employees can see that joining the organisation may provide long-term opportunities. It can also reduce recruitment costs because existing employees can be developed for future positions.

Employee wellbeing is also important for retention. M&S has introduced mental health training for retail managers across its UK stores following feedback from employees and managers (M&S, 2024). This is a positive approach because managers are often the first people employees speak to when they experience difficulties at work.

Nevertheless, M&S needs to ensure that recruitment promises match the actual employee experience. Employer branding can attract candidates, but employees are more likely to remain if they experience fair treatment, development, good management and opportunities for progression.

2.3 Diversity, Equity and Inclusion

DEI is another major HR issue for M&S. A large retailer serves customers from many different backgrounds, so having a diverse workforce can help the company understand different customer needs. An inclusive workplace can also help employees feel respected and valued.

M&S has developed a significant DEI programme. The company currently has eight colleague inclusion networks with more than 11,000 members. These networks cover different communities and provide opportunities for employees to share experiences and influence the organisation (M&S, 2026c).

M&S has also introduced a hiring standard requiring employees with hiring responsibilities to complete training designed to encourage them to challenge bias. DEI-related questions have also been included in the interview framework for roles across the business (M&S, 2026c).

These approaches can make recruitment more consistent and reduce the risk of unconscious bias. However, DEI policies only have value when they influence actual behaviour and outcomes. Managers need to make sure that employees have equal opportunities for recruitment, training, promotion and career development.

M&S recognises that there is still more work to do. The company's DEI information states that it has developed KPIs to identify priorities and measure progress. This is important because organisations need evidence to determine whether their DEI strategies are producing meaningful results (M&S, 2026c).

3. Evaluation of Contemporary HR Practices

3.1 Digital HR and workforce analytics

One suitable contemporary HR practice for M&S is the use of digital HR systems and workforce analytics. Workforce analytics involves using employee information to support HR decisions. For example, M&S can examine employee turnover, absence, engagement, recruitment and training data.

This can help managers identify problems. If one group of stores has significantly higher employee turnover than others, HR could investigate possible reasons. These might include workload, management, working hours, employee development or local working conditions.

The main advantage is that decisions can be based on evidence rather than assumptions. However, there are limitations. Employee data must be handled responsibly and securely.

M&S must also ensure that data is not used unfairly to make decisions about individual employees.

Digital technology should therefore support human judgement rather than completely replace it. This is particularly important when AI is involved because algorithms can produce unfair results if the information used to develop them contains bias.

3.2 Employer branding and strategic workforce planning

Employer branding is another useful practice. It involves creating a positive reputation as an employer so that talented people want to work for the organisation. M&S promotes its culture, career opportunities, inclusion and employee support through its careers platform.

A strong employer brand can help M&S compete for talent. However, employer branding has a major limitation: it must reflect the real employee experience. If employees find that the organisation does not deliver what was promised during recruitment, trust may be damaged.

Strategic workforce planning can support employer branding by helping M&S identify the skills it will need in the future. Retail is becoming increasingly dependent on technology, data and digital services. M&S therefore needs to develop employees who can work effectively with new technology.

Workforce planning should consider both current and future skills. Instead of relying entirely on external recruitment, M&S should develop existing employees through training and career development. This can support retention while also reducing skills shortages.

3.3 Employee engagement and retention strategies

Employee engagement is an important part of retention. Employees who feel listened to and valued may be more committed to their organisation. M&S uses employee feedback and engagement activities to understand colleague experiences.

The company also provides wellbeing support. Its mental health programme for retail managers demonstrates an attempt to give managers the skills to support employees experiencing mental health difficulties (M&S, 2024).

These approaches are valuable because employee wellbeing can affect attendance, motivation and performance. However, wellbeing programmes cannot solve every HR problem. If employees experience excessive workloads, poor communication or limited career opportunities, wellbeing initiatives alone may not prevent them from leaving.

M&S should therefore use a combination of approaches, including fair reward, recognition, career development, flexible working, good leadership and employee voice.

3.4 Inclusive recruitment and leadership development

Inclusive recruitment is particularly relevant to M&S because the company has made DEI a strategic priority. Its hiring standard requires hiring managers to complete training and includes DEI questions in interviews (M&S, 2026c).

This can help managers identify and challenge their own biases. It also creates a more consistent recruitment process.

M&S has also invested in development programmes for employees from underrepresented backgrounds. Its EMERGE programme, for example, was created to provide additional skills, knowledge and confidence to colleagues from ethnic minority backgrounds who may not have entered existing future-leader programmes (M&S, 2025).

This is a strong approach because it focuses not only on recruitment but also on progression. However, leadership development programmes must be monitored to determine whether participants actually progress into more senior roles.

4. Critical Evaluation of Managerial Implementation

Managers are essential to the successful implementation of HR practices because they translate organisational policies into everyday employee experiences. A policy may look effective on paper, but its success depends heavily on how managers apply it.

First, M&S should create clear leadership accountability. Managers should understand that HR responsibilities are part of their normal management role. Performance reviews could include measures such as employee engagement, staff turnover, development activity and inclusion.

Second, communication needs to be clear and regular. When M&S introduces new technology, managers should explain why the change is necessary and how it will affect employees. Employees should also have opportunities to ask questions and provide feedback. Good communication can reduce resistance to change.

Third, M&S should monitor performance. Useful measures could include employee turnover, sickness absence, engagement results, recruitment time, internal promotion rates, training participation and diversity at different levels. M&S already uses DEI KPIs to monitor progress, which provides a useful foundation for this approach (M&S, 2026c).

Organisational culture is equally important. Managers should demonstrate inclusive behaviour in their daily decisions. For example, they should make recruitment and promotion decisions based on skills and evidence rather than personal preferences.

There may be barriers to implementation. These can include resistance to technology, lack of management confidence, limited resources and differences between stores and departments. Managers can overcome these barriers by providing training, involving employees in change and introducing new practices gradually.

M&S should also continue using colleague networks as a source of employee voice. Its eight inclusion networks have more than 11,000 members and are supported by senior leaders, which provides an important communication channel between employees and management (M&S, 2026c).

5. Recommendations

Recommendation 1: Expand digital and AI training

M&S should continue providing practical digital and AI training. Training should be available to employees with different levels of digital knowledge. Managers should explain how technology can support employees and improve customer service.

Recommendation 2: Strengthen internal career progression

M&S should provide clear career pathways from entry-level positions to management. Employees should receive regular career discussions and access to appropriate training. This can improve retention and create a stronger internal talent pipeline.

Recommendation 3: Improve DEI monitoring

M&S should continue monitoring recruitment, promotion, pay and turnover across different employee groups. Managers should receive regular information about their department's performance and be required to respond where inequalities are identified.

Recommendation 4: Increase managerial accountability

HR measures should form part of managers' performance objectives. Managers should be assessed on employee engagement, retention, development and inclusion, not only on financial or operational results.

Recommendation 5: Strengthen employee voice

M&S should continue using employee surveys, colleague networks and regular meetings to understand employee concerns. Feedback should lead to visible action so that employees can see that their opinions are taken seriously.

6. Conclusion

M&S faces several important HR challenges as the retail sector changes. Technological development requires employees to gain new digital skills, while competition for talent makes recruitment and retention increasingly important. At the same time, DEI remains essential for creating a workplace where employees from different backgrounds can succeed.

The analysis shows that M&S has already developed several contemporary HR practices. These include digital development, career programmes, employee wellbeing support, inclusive recruitment, colleague networks and DEI measurement. The company has also introduced leadership and development initiatives aimed at improving representation and career progression.

However, the effectiveness of these practices depends on implementation. Managers must communicate changes clearly, monitor performance and demonstrate inclusive behaviour. HR policies should not simply exist as written documents; they need to influence everyday working practices.

Overall, M&S should continue investing in its employees while using technology and workforce data responsibly. Strong leadership, employee involvement, career development and inclusive management can help M&S build a skilled, motivated and diverse workforce and support its long-term organisational performance.

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