

CONTEMPORARY HR CHALLENGES AT TESCO

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1. Explanation of Key Factors

Tesco is a very large company in the UK and it has many employees. The company has stores, online shopping, home delivery and different office jobs. Because the business is large, HR has to deal with many changes. In my opinion, three important HR problems for Tesco are new technology, finding and keeping good employees, and Diversity, Equity and Inclusion (DEI). These areas are important because they can affect employees, customers and the future of the company.

Adapting to technological advancements

Technology is changing very fast. Tesco uses online shopping, self-service checkouts, digital systems, data and new AI tools. This can help the company work faster and give a better service to customers. However, not every employee has the same digital skills. Some employees may find new systems difficult or may worry that technology can change or remove their job. Tesco says it is investing in digital and AI skills and is giving employees different ways to learn (Tesco PLC, 2026).

For me, training is very important here. If Tesco buys new technology but employees do not know how to use it, the company may waste money and the service can become worse. Employees can also feel stressed. HR needs to understand what skills are missing and give simple training. Managers also need to explain why the change is happening. CIPD (2026) explains that HR technology can support organisations, but people and good management are still important. So, technology should help employees to do their work, not only replace people.

Talent acquisition and retention

Another challenge is finding the right people and keeping them in the company. Tesco needs many types of workers, from store employees to managers and digital specialists. In the PowerPoint, the recruitment process included clear job information, structured interviews, panels and work tasks. I think this is useful because Tesco needs to choose people with the right skills, especially during digital change.

Keeping employees is also important. When good employees leave, Tesco needs to spend more time and money recruiting and training new people. Employees may leave because of pay, working hours, poor management or because they cannot see a future in the company. Tesco reports investment in pay, flexible working and learning opportunities (Tesco PLC, 2026). These things can help employees feel more valued. CIPD (2025a) also says that organisations need to understand the real reasons why employees leave. For Tesco, good pay is important, but career opportunities, training, flexible work and respectful managers are also important for retention.

Diversity, Equity and Inclusion (DEI)

DEI means that people from different backgrounds should have fair opportunities and should feel included at work. Tesco has employees and customers from many different backgrounds. For this reason, I think the workforce should also represent different people and communities. Tesco says that everyone should be welcome and it provides inclusion training for managers (Tesco PLC, 2026).

DEI can help Tesco attract more people and can help employees feel respected. It can also bring different ideas to the company. However, having different people in the business is not enough. Employees need to have a fair chance to get jobs, training and promotion. Research shows that discrimination can still happen during recruitment (Tesco PLC, 2026). Tesco therefore needs fair recruitment rules, reasonable adjustments and trained managers. If employees feel that the company is fair, they may be more engaged and more interested in staying with Tesco.

2. Evaluation of Contemporary HR Practices

There are different HR practices that Tesco can use to deal with these three challenges. For technology, one useful practice is digital training. Tesco already offers learning about digital skills and AI (Tesco PLC, 2026). This is positive because employees can improve their skills and feel more confident with new technology. It can also help Tesco use new systems correctly. However, online learning may not work for everyone. Some employees may need face-to-face help, more time or practical training. Tesco should therefore use different types of training instead of using only online courses.

HR data is another useful practice. Tesco can look at information about recruitment, training, absence, employee turnover and performance. This can help managers understand where there are problems. For example, if one department has many employees leaving, HR can investigate the reason. CIPD (2026) explains that technology and people data can support better HR decisions. The problem is that Tesco must use employee data carefully. Employees need to know how their information is being used, and managers should not make important decisions only because a computer system says something.

For recruitment, Tesco can use employer branding and workforce planning. Employer branding means showing people why Tesco can be a good place to work. Tesco can talk about pay, benefits, training, flexible working and career opportunities. This may help the company attract more candidates. Workforce planning is also useful because Tesco can think about the skills it will need in the future instead of waiting until there is a problem. For example, if Tesco knows that it will need more digital specialists, it can start training current employees or recruiting early.

For retention, Tesco should listen to employees and understand why people stay or leave. Employee surveys, meetings and exit interviews can give useful information. Tesco can also offer training, career development, recognition and flexible working. CIPD (2025a) explains that retention strategies should be based on the real reasons employees leave. I agree with this because giving the same benefit to everyone may not solve the real problem. A store employee may want better working hours, while a digital employee may be more interested in career development.

For DEI, Tesco should continue to use inclusive recruitment. Job adverts should be clear and should not exclude people unnecessarily. Candidates should be asked similar questions and should be judged using the same criteria. This was also an important idea in my previous Tesco recruitment work. Structured interviews can make the process more fair because managers use evidence instead of only personal feelings.

Tesco should also train managers about inclusion and discrimination. This is useful because managers make many daily decisions about recruitment, shifts, training and promotion. Tesco reports that many eligible managers have taken its Being an Inclusive Manager training (Tesco PLC, 2026). Training is a good start, but it is not enough by itself. Managers need to show inclusive behaviour after the training. Tesco should check employee feedback and promotion information to see if the training is making a real difference. Research about hiring discrimination shows why this is important (Tesco PLC, 2026).

3. Critical Evaluation of Managerial Implementation

Department managers have an important role because HR can create good policies, but managers use these policies every day. First, managers need to understand that technology, retention and DEI are not only HR problems. They are business problems too. If employees do not have the right skills, if good workers leave, or if people feel they are treated unfairly, the department may not perform well.

Managers should communicate clearly with employees. When Tesco introduces new technology, managers should explain what is changing, why it is changing and what employees need to do. Employees should also have a chance to ask questions. This can reduce fear and confusion. Managers should not only send an email and expect everyone to understand. Some employees may need a demonstration or individual support.

Managers also need to check results. For technology, they can check if employees completed training and if they can use the new system. For retention, they can look at employee turnover, absence and feedback. For DEI, they can look at recruitment, promotion and employee experience. However, numbers do not explain everything. A manager should also speak with employees to understand what is happening. CIPD (2025b) explains that employee voice is important because workers need opportunities to share their views and concerns.

The company culture is also important. Managers should create a workplace where employees feel comfortable asking for help and sharing ideas. They should treat people with respect and give fair opportunities for training and promotion. If a manager says that DEI is important but always gives the best opportunities to the same people, employees will not trust the policy.

There can be barriers to these changes. Managers can be very busy and may focus mainly on sales, customers and daily problems. Some employees may not like change. Training also takes time and money. For this reason, Tesco should make the actions simple and give managers support from HR. Important changes can start in one area first. Tesco can see what works, fix problems and then use the practice in other areas. In my view, this is better than changing everything quickly without checking the results. Managers should act with urgency, but they should also make sure the change is fair and useful.

4. Introduction, Conclusion and Recommendations

Introduction

The purpose of this report is to look at important HR challenges at Tesco. The report focuses on technology, talent acquisition and retention, and Diversity, Equity and Inclusion. These areas are important because Tesco needs skilled and motivated employees to give good customer service and continue to compete in the UK retail market. The report also looks at HR practices that can help and the role of managers in making these practices work.

Conclusion

To conclude, Tesco needs to manage people carefully while the company continues to change. Technology can improve the business, but employees need the right training and support. Tesco also needs to attract good people and give them reasons to stay. DEI is important because employees should have fair opportunities and feel respected. HR policies can help, but managers need to use them correctly every day. Good communication, training, employee feedback and regular checks can help Tesco improve these areas.

Recommendations

- Tesco should give simple and practical digital training to employees before and after new technology is introduced.
- Managers should speak regularly with employees about their work, development and reasons for staying or leaving.
- Tesco should continue using structured and fair recruitment methods and offer reasonable adjustments when needed.
- Managers should have clear responsibility for inclusion, employee development and retention in their departments.
- Tesco should use employee data together with employee feedback to check if HR practices are working.

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