

CASE STUDY 1 Searching for stars on the shop floor

Staff development opportunities at Tesco are available for staff at every level. For example:

- The Options Scheme is a development programme for those identified as having the potential to do a bigger or different job. At any one time, 10% of

Tesco employees are on this scheme, and in the last 3 years, 50,000 people have been through it.

- The Apprentice Scheme gives staff aged 16–24 years the experience of working in different parts of the business. Tesco's managers coach and assess

candidates and successful apprentices are awarded nationally recognised NVQs.

- Lifelong learning opportunities are available in three core areas: Basic IT, Skills for life (basic English/maths and English for speakers of other languages) and languages.
- The Debut website, www.tesco.com/debut, offers online training and development, financial guidance, discounts and career advice to help 16–24-year-olds through the transition from full-time education to full-time careers.

At Tesco, managers are trained in talent spotting and are expected to have regular meetings with their staff, whose aspirations are carefully considered. They are encouraged to remember what happened when they were spotted and how they were given a chance.

'We make talent spotting an everyday activity for managers,' said a spokesperson from Tesco. 'We show people how to create the right environment for talent to flourish. We want to find the people who are going that extra mile and improving the business. It's essential in a rapidly expanding company.'

All the information that is gathered moves up layer by layer to the board, which gets a complete picture of the staffing resources available. This is matched to a forecast of staffing needs. 'If we know what we have got and what we need, we can take a broad view of where investment in people and training is needed,' said the spokesperson.

Recently when the board reviewed the projections for investment in new stores, it saw that there would be a shortfall in managers. The answer was to accelerate the development of senior team managers. Tesco selected 50 people, 38 of whom were internal



candidates, and sent them on an 8-week intensive training programme designed to fast-track employees to store-manager level. The programme covered weekend and evening work, sessions at Sandhurst military academy, leadership training and all the procedures and policies that candidates were likely to have to deal with.

Having recruited and trained good staff, Tesco wishes to retain them. In 2007 its website included the following information: 'Our retention rate for experienced staff is 84.1%, exceeding our target of 80%. We believe in "growing our own" talent: in the last 3 years we have appointed 27 directors, 200 store managers and 8,000 department managers from within Tesco. Next year, we will appoint over 3,000 new managers in the UK, and want 80% of these to be internal appointments.'

Sources: adapted from an article in the *Sunday Times*, 21 September 2003 and information on the Tesco website (www.tesco.com), 1 October 2007.

Questions

Total: 40 marks (50 minutes)

- 1 Explain Tesco's method of recruiting new store managers. (4 marks)
- 2 Analyse the benefits of Tesco's approach to meeting its staffing needs. (9 marks)
- 3 To what extent do you feel that Tesco's investment in training both of its staff in general and of its new store managers is likely to produce good results? (12 marks)
- 4 Discuss the benefits and the problems that Tesco is likely to face if it continues to recruit the majority of its senior management from within the company. (15 marks)