

## Tesco - Summary

# How training and development supports business growth

### Introduction

Tesco is Britain's largest retailer with over 2,200 stores. It is also the world's third largest grocery retailer and has diversified into banking, insurance and other areas. Tesco has expanded through providing other retail services and by adapting to the needs of consumers. As the company has grown, so has its workforce. Tesco now has approximately 280,000 employees in the UK and over 460,000 worldwide. To serve its widening markets it needs flexible and well-trained staff. It recognises that better knowledge, skills and job satisfaction of employees are all vital to its continued growth.

### Identifying training needs

Tesco's growth requires the business to have the right people, in the right place, at the right time. Many factors affect workforce planning:

- New stores require staff to have a clear understanding of new customer profiles.
- In-store and non-store based posts require different skills.
- Employees with wide-ranging skills can work flexibly and are more productive.

Tesco regularly evaluates staff performance to anticipate possible skills shortages. Through annual reviews and career discussions, employees can apply for training. The Tesco Leadership Framework focuses on three key themes: customer focus, working with others and personal behaviour. These themes link to critical success factors within an assessment framework. Using this framework helps to identify employees with the potential to be the 'best leaders of the future'. Before undertaking training, employees identify their own knowledge and skills gaps. These are logged in a Personal Development Plan. Employees and line managers then decide how to fill these gaps.

### Training

Training is the acquisition of knowledge and skills so a person can carry out a task. Training benefits employees in several ways:

- It increases their sense of ownership in the business.
- They become better at their job so better able to meet the needs of customers.
- Gaining new skills and abilities makes them more effective in their role.

Tesco has a flexible approach to training, which adapts to individual employee needs. It offers on-the-job and off-the-job training. On-the-job training benefits employees because it is relevant and they quickly feel part of the team. It benefits the company because it is cheaper and managers can oversee progress. Methods include:

- shadowing a person already in the job
- coaching trainees through problems
- mentoring carried out by an experienced person
- job rotation or secondment – taking full responsibility for a job on a temporary basis.

Off-the-job training is often better for training in specific new skills such as presentation skills.

### Development

Development is about helping employees grow and extend their abilities. Tesco employees are encouraged to assess their own skills. Tesco's Options programme provides a long-term strategy for development. It offers, for example, workshops focusing on leadership.



## The benefits of training and development

The business needs to know if training is producing improvements and giving value. Employees assess themselves by setting objectives and recording outcomes. These measure their improvement in performance after training using SMART objectives. Tesco also uses 360-degree appraisal where all contacts with the employee (for example, manager, colleagues and customers) assess performance and give feedback.

## Conclusion

Effective training and development is an essential element for Tesco's continuing growth. Tesco's structured approach to training and developing its existing and new employees provides a strong foundation for such growth.

