



Company name: Tesco

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Business benefits realised:
Colleague contracted hours reviewed to ensure they meet customer needs

Business metrics demonstrating value:
See notes below

Background

Tesco employs more than 240,000 people in its UK stores, and nearly 80% of them are on fixed-hours contracts. In late 2011, Tesco set out to ensure that those contracted hours were as productive as possible, to make sure that we had the right resources in place to meet the changing needs of our customers. We recognised that in many stores we had too many contracted hours at certain times of the week, which weren't necessarily at the best time for our customers.

We had established models that set out how hours should be scheduled in any department, based on the specific sales and layout of each individual store. But it was not always clear which individual colleagues were working the right hours for the business or for them.

We had an existing policy for 'Moving People around the Business' which helped department managers to change hours within their teams. But we wanted to help managers be confident in why they were asking people to move based on a clear understanding of how hours should ideally be scheduled.

Some myths and legends had developed among colleagues about the degree of flexibility we could ask of our colleagues. For example, it was widely believed that a change of up to two hours either side of a shift was reasonable, but that we could not ask colleagues with children to move their hours.

So as a business we needed a better understanding of the changes we needed to make at an individual store level, and a different approach to talking to colleagues about those changes.

Ideal Schedules Change programme

We developed a tool and supporting people process that allowed us to compare the ideal level of staffing for each individual store, generated by our existing operating models, to the actual hours our colleagues were contracted to work. This provided a clear picture for every hour of every day in every department, showing where we had too many, too few, or the right amount of hours contracted.

This new tool highlighted where there was the potential to move colleagues into under-contracted times of the week, and it also gave us a factual basis to support our business case for changing hours.

We called this tool an Ideal Base Schedule. It's based on a low sales week which ensures the hours it schedules are always affordable, and there is money within payroll budgets to invest in more hours in higher sales weeks, for example by using flexible hours contracts or overtime.

Every little helps



Pilot

At the beginning of 2012 we piloted a programme to move hours in 44 stores, using the Ideal Base Schedule tool to demonstrate to colleagues why we needed them to consider changing their hours. In each store, the Store Manager briefed their team to explain why we would be talking to them about reviewing when they worked. In a large Extra store, this could involve briefing more than 600 colleagues working across the business 24 hours a day, seven days a week. From the outset, we worked hard to establish an open dialogue with colleagues so that they understood the reasons for the change, how it would affect them and the different options we were asking them to consider.

A team of trained, dedicated Line Managers led the pilot in stores to ensure they could focus fully on the programme without the distraction of their day jobs. They met each colleague to discuss their availability, in particular looking at any times or departments outside their current contract where they may be able to work and understanding any other factors in their lives which might have an impact on their availability to work. These meetings were honest, adult conversations about the changes in the economy and the challenges facing Tesco as a result.

The dedicated team then reviewed the availability forms provided by our colleagues to see where we could move hours from over-contracted areas into areas where we had too few. Based on that, they could propose changes in individual meetings that were reasonable to colleagues and based on their individual circumstances and preferences.



The next stage

Following feedback from the 44 stores, we made some improvements to the scheduling tool and introduced regional coaches who could provide local support to our next 74 stores, which began the process towards the end of 2012. We also extended the time given to the initial Store Manager briefing, as it was this senior level engagement that really helped colleagues to understand the need for change.

In the first two waves of stores we spoke to 28,571 colleagues, and of those people identified as needing to make changes, 95% did so voluntarily. At this stage, we looked again at how reasonable the changes we were proposing were, and ultimately we were able to implement all the required changes without any dismissals and only a handful of cases going to formal consultation.



Every little helps



Key learnings

The pilot stages have shown that, if approached in the right way, it is possible to move people's hours and dispel the myths that had historically been barriers to getting the right hours in the right place.

The remaining Extra, Superstore and Metro stores (789 stores) will go through this Ideal Schedules programme in the first half of 2013.

We have also learnt that the three most common barriers to moving hours are:

Childcare - often several members of a family work in the same store but choose to work at different times to share childcare, so changes to one person may have a knock-on effect for related colleagues

Other jobs - we have many part-time colleagues who often have second or third jobs, which limits their flexibility and availability to work for Tesco

Transport - public transport limitations mean that we cannot ask colleagues to attend work at certain times, limiting their availability

However, where approached in the right way, we worked with colleagues to find the best solutions for their personal needs and those of the business.

Business benefits

This programme does not provide a direct financial benefit for Tesco as we are moving existing resources around. However, the benefit for Tesco as a business is in the improved service that we are able to offer customers by making sure we're got the right people working at the right time. For individual colleagues, understanding why they are working at certain times, and how they contribute to the team and the business has also helped improve morale and performance.

The impact is reflected in both our customer surveys at participating stores, and also in our latest colleague survey. Across the 44 stores from the first pilot stage, there's been a 16% increase in colleagues agreeing that 'my job has become easier in the past 12 months', and a 6% increase in people agreeing that their store has the 'right hours in the right place'. Customers at participating stores report reduced queuing times and better availability for online grocery orders, both of which are operational key performance indicators. We are currently developing a set of key measures that will help us to better understand the impact of moving hours on both colleagues and customers going forward.

Ideal Schedules has increased our understanding of our colleague's availability to work, both in terms of the hours they could be contracted and the departments they could work in. This will aid our ability in the future to understand how we can manage the resources we have in place to best respond to future changes in shopping behaviour.

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