

ASDA: Aiming to Serve Better

Introduction

ASDA Stores Ltd. (ASDA) is a British-based, American-owned supermarket chain, which retails food, clothing, general merchandise, toys and financial services. Its head office is at ASDA House in Leeds, West Yorkshire (<http://en.wikipedia.org/wiki/ASDA>). ASDA was founded in 1949 under the name of Associated Dairies and Farm Group. In 1965, the name has been shortened to ASDA in 1965. In 1999 ASDA became a subsidiary of Walmart, the largest supermarket chain in the world. In the UK, ASDA is one of the largest employers with over 175,000 employees. ASDA continued to expand its operations in the UK and acquired a number of stores from Netto to increase the number of local ASDA Supermarkets (<http://businesscasestudies.co.uk/ASDA/#axzz3b7Two3VP>). ASDA was voted Britain's Favourite Supermarket for the third year in a row, in 2013 (<http://businesscasestudies.co.uk/ASDA/#axzz3aYj9Mnom>).

Company History

ASDA trace their history back to the 1920s, when a group of Yorkshire dairy farmers formed Hindell's Dairy Farmers Ltd. (Thornton, 2013). Till 1949, there were a number of acquisitions, and eventually, the name was changed to Associated Dairies & Farm Stores Limited. The adoption of the ASDA name occurred in 1965 with the merger of the Asquith chain of three supermarkets and Associated Dairies (<http://your.asda.com/about-asda/the-history-of-asda>)



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The abolition of retail price maintenance and the takeover of the GEM retail, in 1964, have played a significant role in ASDA's growth (Kelly, 2013) by offering large-scale, low-cost supermarkets, ASDA increased GEM's £6,000 per week sales to around £60,000 per week in just six months with the new stores, named, ASDA Queens Supermarkets (<http://your.asda.com/about-asda/the-history-of-asda>).

in 1989, ASDA stores were expanded to South England, by buying the large format stores of rival Gateway Superstores for £705 million. This move resulted into financial difficulty and ASDA was forced to raise money from shareholders in both 1991 and 1993. It revived under the leadership of Archie Norman, who was the CEO from 1991 and Chairman during the period 1996–99. He remodelled the store along the lines of the world's largest retailer Walmart (Leighton, 2005).

ASDA, was eventually purchased by Walmart on 26 July 1999 for £6.7 billion. In 2005, ASDA expanded into Northern Ireland by purchasing 12 former Safeway stores from Morrisons (Northern Ireland News, June 2005, Kehoe, 2005).

In August 2009, Walmart “sold” ASDA for £6.9 billion to their Leeds-based investment subsidiary Corinth Services Limited (Richard, 2009). The deal was described as part of a “group restructuring” and meant ASDA remained under the control of Walmart, since Corinth is itself a Walmart subsidiary.

In May 2010, ASDA bought all of Netto's UK operations in a £778 million deal, aiming to operate with even smaller, more localised stores. In September 2010, ASDA was required to sell 47 of the existing 194 Netto stores following a ruling by the Office of Fair Trading (<http://www.thisismoney.co.uk>).

ASDA Mission and Values

The company's mission is “to be Britain's best value retailer by exceeding customer needs...Always!” (ASDA Your Colleague

Handbook) To achieve their mission, the company has established certain guidelines. These act as a set of values which the employees are expected to abide by in the company :

1. Respect for the individual

- Making people feel valued
- Making time for other people and respecting their needs

2. Service to the customers

- Exceeding customer needs
- Building relationship with customers and understaffing them

3. Striving for excellence

- Not being fully content with the average performance
- Being the best in whatever they do by going extra ASDA mile

Fair play – all employees are expected to behave on the principle of the fair play and challenge questionable behaviour and practices particularly in relation to their diversity statement. The company recognizes the need to promote diversity through the following:

- Actively promoting fair treatment and opportunity
- Providing training to all employees
- Monitoring and reviewing the progress of all employees to provide opportunity for improvement
- Specific responsibility for living these values and respecting the standards falls on the employees particularly involved in activities like recruitment, selection, supervision, training and promotion.
- Preventing prejudice and ensuring that, there is respect and value for differences between individuals within a team

The company has a diversity statement. It reflects their values and commitment to promote equality by doing the following:

Treating everybody in the company as equal and with respect

To ensure that no stakeholder of the company is treated less favourably in the grounds of their sex, marital status, sexual orientation, disability, race, religion, beliefs, color, nationality, ethnic origin or age

To ensure an environment free from any form of bullying and harassment

To recruit and select and promote people according to their ability and give equal opportunity for training and development.

ASDA : The Marketing Campaign and Charities

ASDA has been always projected as the low cost supermarket. ASDA has been winner of *The Grocer* magazine “Lowest Price Supermarket” Award for several years (Halliwell, 2011). ASDA Smart Price is a no-frills private label trade name. Smart Price products are almost always the lowest price option (known as *Our Lowest Price*) in a product category in ASDA stores. In the “ASDA price” campaign, customers tap their trouser pocket twice, producing a ‘chinking’ sound as the coins that ASDA’s low prices have supposedly left in their pockets knock together. The pocket tap ads were launched in 1977 and over the next 30 years, a range of celebrities have been “tappers” (www.tellyads.com). Apart from the above, ASDA has launched several marketing campaigns. In 2006, ASDA advertising was themed around singing children and the slogan “More for you for less”, and the previous tap of the trouser pocket advertising was reduced to a double-tap on a stylised ‘A’, still producing the ‘chinking’ sound. In 2008, the company refocused on price with a “Why Pay More?” campaign both on TV and in stores (<http://en.wikipedia.org/wiki/ASDA>).

ASDA supports several charities through its stores, some of them are as follows:

- Tickled Pink – This helps two breast cancer charities – Breast Cancer Care and Breast Cancer Campaign.
- Tommy's – This funds research to find out why things go wrong in pregnancy and birth, and provides information free of charge.
- ASDA Foundation - supporting local causes of ASDA store workers, with projects supported across the UK.

HRM Practices at ASDA

The present section elaborates a few significant areas of HRM practices at ASDA.

Organizational Culture at ASDA

ASDA believes that every employee within the company makes and help influence the Organisation's culture. These beliefs are:

- to provide excellent service to our customers
- to show respect for the individual
- to strive for excellence
- to act with integrity.

In 2009, ASDA conducted a customer survey and, based on the findings, 'customer pledges' for ASDA were created, to demonstrate the customers' expectation from ASDA. In the similar line, in 2013, a survey was conducted among employees, which resulted into 'colleague pledges' (employees' expectation). The four colleague pledges stand for the ASDA commitment:

- Fairness at work.
- Opportunity for all.
- Respect for each other.
- Pride in ASDA.

ASDA management aims to nurture the following positive behaviours:

- Fairness brought to life by leaders who are empathetic and recognise their colleagues.
- Opportunity for all promoted by leadership that encourages colleagues and is communicative.
- Respect for each other shown by leadership which is collaborative and listens to colleagues.
- Pride in ASDA by inspirational and motivational leadership.

(<http://businesscasestudies.co.uk/ASDA>)

Recruitment and Selection at ASDA

The main reason for recruitment at ASDA is due to expansion of the business and colleague turnover. Colleague turnover may occur for a variety of reasons, such as, retirement of existing colleagues and internal promotion which create gaps. ASDA aims to fill 70% of its leadership team vacancies through internal promotion.

To embrace the new recruits in the organizational culture, ASDA conducts 'Best Welcome' induction programme. 'Star programme' is also conducted to recognise excellent customer service. A program called 'Colleague Steps' is conducted for career progression. ASDA promotes career opportunities on its dedicated careers website. When recruiting, it aims to attract and retain talented colleagues with the best fit for the job. To make the recruitment faster and more efficient, ASDA makes use of its online recruitment process. ASDA advertised 27,000 jobs in recent past, and its dedicated careers site handled over 1.5 million applications. ASDA also uses social media channels such as LinkedIn, as well as recruitment firms such as Remploy, to access the widest range of potential recruits. After the applications are registered through ASDA's online recruitment system, appropriate candidates are shortlisted for interview or an assessment centre, based on job description and a personal specification. The

assessment centre known as either 'ASDA Reality' or 'ASDA Magic', provides an opportunity for candidates to demonstrate their strengths which align to ASDA's culture, beliefs and way of working.

When recruiting internally, an appraisal is used to help inform the selection process. Once selected, the final part of the recruitment process involves providing appropriate training. At ASDA, each new employee is put into a specific training plan designed for their role. This is based around the company's 'Colleague Steps' process which has three key stages – 'Step In, Step On, Step Up'. This training varies from attending training workshops to taking formal qualifications relevant to their role.

(<http://businesscasestudies.co.uk/ASDA>)

ASDA's no Harassment policy

ASDA's no harassment policy includes the following:

- Inappropriate or unwanted physical contact
- Unsuitable jokes or suggestive comments
- Inappropriate screen saver, poster or calendars
- Inappropriate text messaging or e-mails
- Mimicry for colleagues disability

Health, Safety, Hygiene and Security

At ASDA, as a part of the safety mission, the company is committed to the following:

- Continually measuring and improving the safely performance
- Celebrating safety success and learning from safely failure
- Giving every employee the right and opportunity to challenge unsafe practices and training all employees on safety practices
- Striving to eliminate all accidents

- CCTV cameras are installed in the company premise for employee safety
- During discipline and grievance matters, the CCTV footage relevant to the matter may be used, if available, to solve a dispute.
- Night Workers in the company offered a free health assessment before they start working through the night
(ASDA Your Colleague Handbook)

Colleague Involvement

The company has a colleague circle, which is an action group. The role of the colleague circle is that of a consultative role, involving and contributing to the real business issues, such as, competitor impact, improving attentions, business reorganizations, and so on. Each colleague circle has an annual budget, and the members decide how to maintain their work environment given the budgetary constraints. There are four levels of colleague circle: Local colleague circle, divisional colleague circle, national colleague circle, and, European colleague circle. The purpose of each is to create a business-focussed meeting by involving the representatives and acting on the results from their 'we are listening' service.

Colleague communication - the whole business benefits when all employees are kept up to date and given a chance to express their views. They have a culture of involving the employees to perform their job role and improve their service to their customers. These communication are made possible within the company by Variety of methods and avenues like ASDA News, Pipeline, Colleagues meeting, Communication zones, 24x7 TV, and through a communication coordinator, at each store within the company.

Colleague recognition scheme: All employees are to encourage their fellow colleagues by suggestions and making improvements. From time to time, the company reviews and refreshes their scheme with up-to-date information giving store briefing and on the colleague

communication board. Some of the current schemes are: STAR (success through achieving results) points; The ASDA Star recognition schemes; Tell Tony Suggestion Scheme : and, Tell your GSM.

(ASDA Your Colleague Handbook)

Employee Compensation and Benefits at ASDA

ASDA has several provisions for employee-friendly policies in regard to employee compensation and benefits.

Employee Compensation

At ASDA, payment is made one week in arrears on a four-weekly basis. There are several rates at which compensation is decided. Some of the significant provisions of such compensation rates are as follows:

Top Rate- it relates to all the employees joined on or after 15th October 2000. It is also applicable to those who got transferred into ASDA after the said date and for the employees, employed previously have opted to change to this rate. Top rate are paid as either a day rate (working hour 6am-10 pm) night rate(working hour 10pm until 6am).

Standard Rate- it relates to employees who joined the company prior to 15 October 2000 and have not opted for change to top rate. In this case, working hours exceeding 38 hours in any week are paid at the rate of time and one half of standard rate. Employees will be paid at the rate of double time of standard rate for the hours worked on customary holiday.

Adoption Pay- ASDA has a special provision for the employees(the primary carer) who wish to adopt a baby/ child. In this case, employees have the right to adoption leave and adoption pay,(if eligible). Employees are provided with “babies @ASDA” with useful information on the above.

Maternity Pay- all expectant employees have the right to maternity leave and have the right to return to work after the leave.

Paternity Leave- ASDA provides 2 weeks paternity leave(equivalent to contract works) for the expectant fathers or the partners for an adoption.

Sick Pay- Statutory Sick Pay (SSP) is paid to all the employees who qualify. For that, an employee has to be working at ASDA for continuously 39 weeks(minimum) immediately before a period of sickness absence.

Other Pay- ASDA has several provisions for paying employees on various occasions. For example, employees may get bereavement leave for upto 2 weeks with pay:leaves will be granted to attend jury service, public duties.

Employee Benefits

The company has a bonus scheme that primarily aims to reward employees for their hard work and contribution to the business. The bonus year runs from 1st January to 31st December each year and the actual bonus payable is calculated based on the specific profit targets and other criteria which are communicated in each bonus year.

Colleague Discount Card – any employee who has been at ASDA for 12 weks, is eligible to receive the ASDA Wal-Mart Colleague Discount Card. A valid card entitles : to 10% discount on all the ASDA purchases, barring gift vouchers etc. Use of the card is restricted to both the card holder and his/her nominated user. Any breech of the rules by the employee or the nominated user is regarded as gross misconduct and may lead to the employee's dismissal from the company.

Death Benefit Scheme - Any employee who is not in the pension plan, aged between 21 to 64 years (inclusive) and has completed three years of service is entitled to a lump-sum payment equal to their gross earnings in the tax year, prior to death.

Flexible Working - To accommodate work life balance and take care of home priorities ASDA has several schemes which help employes to organize their flexi working conditions signifying their family friendly

values. However, if an employee avails flexi scheme, they are subject to certain terms and conditions, affecting their bonus and holiday entitlement, accordingly. Some of the schemes, which can be availed in this system are adoption pay, anti-natal care, benidorm leave, big break, care 4 kids, carer leave, career break, dependent leave, fertility leave, grandparents leave, maternity and parental/child care leave, paternity leave, and the like.

Long Service Retirement – the company helps employees with their transition from working into a fulfilling retirement. Employees with at least 5 years continuous service are supported with information on areas such as, finance, security, leisure time, and many helpful telephone numbers to help in their transition. This is sent out six months before State Pension Age (male 65, female 60).

Pension Plan – membership of the ASDA Pension Plan is available for all employees aged 18 or more and under 65, after completing six months continuous service. Various schemes are available and all these contribution are paid into the employees' own pension account with Prudential and a bonus is usually added each year. As a member of the organization, an employee may qualify for life assurance of four times the amount paid, if an employee dies whilst they are still paying into the plan, also known as Death Benefit Scheme.

Relocation – relocation expenses are also covered by the company, in case of the change in place of service for upto 12 weeks.

Share Plans - ASDA currently has two discretionary share plans namely, Colleague Share Ownership Plan (CSOP), and Sharesave Plan. Both these plans are subject to detailed rules which are available in company's policy guidelines.

(ASDA Your Colleague Handbook)

G. The ASDA Colleague Hardship Fund

The Colleague Hardship Fund was launched in 2010 and has supported colleagues who have found themselves in significant financial

hardship. It supports ASDA employees Colleagues (including current, retired or those who have left for reasons of ill health/sickness) and their immediate family members, in present / potential financial hardship. This is a newly set-up fund, available to ASDA employees from May 2010 above, in addition to the support from ASDA Foundation.

ASDA Foundation

ASDA employees can apply to the ASDA Foundation for additional discretionary funding in situations, where an employee is raising funds for another colleague or their immediate family who are seriously ill, or are in need of financial support and wish the ASDA Foundation to match or top up the money raised by employees. This additional funding is totally separate from the Colleague Hardship Fund and will still be available to employees.

(<http://greenroom.ASDA.com/news-and-info/the-colleague-hardship-fund>)

Employee Training and Development at ASDA

ASDA employees are provided with opportunities for supporting and investing in its colleagues to gain qualifications that will enable them to become the next generation of leaders at ASDA. For example, ASDA offers:

- the industry's first 3-year BA Honours degree in retail and distribution
- George retail foundation degree
- an accredited apprenticeship scheme (3000 apprenticeships in 2012).

(<http://businesscasestudies.co.uk/ASDA>)

By developing colleagues with the potential to be General Store Managers (GSMs), ASDA has a robust long-term succession plan to develop the Regional Operations Managers (ROMs) of the future.

GSMs have responsibility for a large number of employees (sometimes more than 500) and sales turnover of over £1 million a week. They are responsible for leadership, supporting the employees, coaching, setting targets, being the role model, and so on. ASDA uses both on-the-job and off-the-job training to develop the GSMs. of activities. Some of the on-the-job training for GSMs include:

- covering the ROM's duties when the ROMs are on holiday
- receiving guidance from a mentor on the Retail Board (a senior manager)
- attending meetings on behalf of the ROM
- owning regional projects.

Some of the off-the-job training for GSMs include:

- 'Being at my Best' – this programme focuses on emotional intelligence and supports GSMs to understand their strengths and areas for development.
- 'Multi-site coaching' – improves an individual's capability to coach across the range of GSMs using different coaching conversations and styles.
- 'Influencing across the business' – provides an opportunity to learn how to communicate in a compelling way.
- 'Thought Leadership' – develops the capability to lead a team through innovation, creative thinking and leading with courage.
- GSMs also receive telephone coaching to support them and address development needs

(<http://businesscasestudies.co.uk/ASDA>)

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