



THE TIMES 100

BUSINESS CASE STUDIES

Workforce planning - Aldi

Aldi is a leading retailer with over 8,000 stores worldwide. It continues to expand in Europe, North America and Australia. The Aldi brand is associated with value for money. Its stores provide customers with a wide range of products. There is an emphasis on high quality products and providing excellent value for customers. Aldi's slogan is 'spend a little, live a lot'. It works hard to keep prices low for its customers.



Workforce planning is the process of finding out how a business will meet its labour requirements both now and in the future. Aldi, like other businesses, needs to predict its future staffing needs accurately. It needs to plan for both the number of workers it will require and the specific skills that the business will need in the future. The company can then recruit new staff if necessary. It can also ensure that it has training and development programmes in place to meet these needs. Aldi identifies future training needs through an on-going analysis of company performance in key areas at all levels. For example, the company monitors the availability of its products to the customer within its stores. If the level of availability drops below the targeted level then a programme of training on order accuracy would be undertaken. It also considers future developments within the business and also within the grocery retail sector in order to predict both the total numbers of staff it will need and, more crucially, the skills and competencies that will be required.

Aldi's rapid expansion means that its current workforce cannot meet its future staffing requirements. The company will need to recruit more than 4,000 new members of staff within the next 12 months to meet the requirements of current exceptional sales growth and new store openings. To attract the best candidates, it offers industry-leading salaries at all levels. To ensure it gets people with the right set of skills, the company produces clear and detailed job descriptions for each post. These show the tasks and responsibilities for that position and in turn, the skills and competencies needed by an individual to succeed in that role. Through a process of interview and assessment, managers identify if candidates have the precise skills and competencies that the job requires. If the selection process shows that they are suitable, then they will be recruited and Aldi can be confident that they will fulfil the challenges of their role. Although Aldi expects new recruits to make an immediate contribution to the business, it also provides training so that they can develop their careers within the company. Aldi has entry levels for apprentices, store assistants, deputy managers, assistant store managers, trainee store managers and graduate trainee area managers. Aldi organises high-level training for recruits to all levels. For example, in their first year, graduate recruits receive training in all areas of the business. This ranges from training in-store to understand how the retail operation works, to regional office tasks such as logistics, trading and financial planning.

Aldi seeks to provide its customers with quality products at prices that provide value for money. It wants efficient operations, with its stores staffed by people who are keen and competent. Aldi's success is shown by the fact that it is expanding rapidly. It is opening new stores and experiencing sales growth that requires it to take on more staff. This means that it needs to combine good recruitment policies with robust selection processes. Staff are recruited from school or college into Aldi's apprenticeship scheme or direct into stores for positions from store assistant up to trainee Store Manager. Those from university with a 2.1 degree or better are able to apply for the Graduate Area Manager programme.



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Questions

1. What is workforce planning?

2. Describe the reason why Aldi needs to recruit 4,000 new staff in the next 12 months.

3. Explain how Aldi ensures it recruits the right people to fill its vacancies.

4. Analyse the benefits to Aldi of effective workforce planning.

Task

For an organisation that you are familiar with, work in teams to identify the internal and external factors that might affect staffing needs over the next three years. For example, are any of the employees soon to retire or be promoted, is the industry growing quickly?

What have you learned?

Find a pair – work in small groups. Each group should write 6 questions about workforce planning and their answers on to 12 separate squares of paper. They should then shuffle the squares and swap with another group. The squares of paper should be placed face down on the table and each individual should take it in turns to turn over two squares. The aim is to find a question and the corresponding answer. When found, the student should keep that pair of squares. The winner is the student who finishes with the most pairs. (To make this harder, increase the number of questions and answers)