

ALDI STORE

Aldi

Aldi is a leading retailer with over 8,000 stores worldwide. Since opening its first store in 1913, Aldi has successfully established itself as one of the most reputable retailers in the international business market.

The Aldi brand is associated with value for money. Its emphasis is on providing high quality products and excellent value for customers. To put it simply, we offer our customers a smarter way to shop.

Aldi's slogan is '*spend a little, live a lot*'. It works hard to keep prices low for its customers. The company buys large quantities of products from carefully selected suppliers. Its buyers are experts who choose the best quality products at the most competitive prices. The savings achieved by sourcing products in this way can be passed on to customers. Aldi keep costs down in other ways. It ensures its operations are as efficient as possible, for example, store layouts are kept simple and opening hours focus on the busiest times of the day.

The importance of developing people

Aldi places great importance on how it trains and develops its employees. Training is the process of providing employees with the necessary knowledge and skills to perform their tasks and roles competently. Training not only helps to increase business efficiency but it can also make staff more motivated by increasing their job satisfaction.



While training is narrowly focused on helping a company become efficient and effective in the short term, development is more about building the long-term capabilities of the workforce. It is about helping individuals to gain knowledge, learn new skills and develop a wide range of attributes. Development makes employees more adaptable and more able to take on a wider range of roles.

This case study will demonstrate how Aldi's training and development programmes help ensure its employees have the skills and competencies that the business requires both now and in the future.

WORKFORCE PLANNING

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.

On-the-job training is training that takes place while employees are actually working. It means that skills can be gained while trainees are carrying out their jobs. This benefits both employees and the business. Employees learn in the real work environment and gain experience dealing with the tasks and challenges that they will meet during a normal working day. The business benefits by ensuring that the training is specific to the job. It also does not have to meet the additional costs of providing off-the-job training or losing working time.

There are several methods of providing on-the-job training. Four frequently used methods are briefly described here:

- Coaching – an experienced member of staff will help trainees learn skills and processes through providing instructions or demonstrations (or both).
- Mentoring – each trainee is allocated to an established member of staff who acts as a guide and helper. A mentor usually offers more personal support than a coach, although the terms 'mentor' and 'coach' are often used interchangeably.
- Job rotation – this is where members of staff rotate roles or tasks so that they gain experience of a full range of jobs.
- 'Sitting next to Nellie' – this describes the process of working alongside a colleague to observe and learn the skills needed for a particular process. This can be a faster and more

useful way of learning a job role than studying a written manual. The colleague is always on hand to answer any questions or deal with any unexpected problems.



Store managers act as trainers

For most on-the-job training at Aldi stores, the store manager acts as the trainer. A typical format is for the manager to explain a process to the trainee, then to demonstrate it. The trainee then carries out the process, while the manager observes. Once the manager is happy that trainees are competent, they can then carry out the process unaided. This process is used, for example, to teach a store assistant how to operate the till and to instruct a trainee manager how to order stock accurately.

All positions from apprentices through to trainee area managers follow this type of structured 'tell, show, do' training. Trainee area managers also undergo job rotation. They have the opportunity to experience all aspects of the business to give them a complete overview of how Aldi operates. They can then see how each department and business operation relates to and links with other parts of the company and other processes.

ALDI'S APPRENTICESHIP SCHEME

Aldi provides training opportunities for young people. The Aldi apprentice scheme combines on-the-job and off-the-job training. Apprenticeships are open to 16-18 year olds. Apprentices training as store assistants also study for an NVQ in Retail Apprenticeship. They complete store assistant training and gain an NVQ Level 2 in their first year. They then take a store management training programme over two years and work for a Level 3 advanced qualification.

The variety seems to suit apprentices. As Sam, an Aldi apprentice says:

'The fast pace of the role is really exciting, with lots of chances to learn new and useful skills. As well as the on-the-job training, there is also studying towards a recognised qualification that I can fit around work.'

Emily, another apprentice, recognises that the programme is a good opportunity:

After attending college I was looking for an opportunity that would allow me to use my customer service skills and the Aldi apprenticeship has given me just that. There is a lot of competition for places, so you really need to want to succeed. I really feel part of the store team. It can be challenging but it is well worth it.'



At the end of their apprenticeships, Sam and Emily will have the knowledge and skills to take on deputy manager or assistant store manager positions. From there each can rise to become a Store Manager in the business. Aldi's current growth means that there are many opportunities for promotion, so Sam and Emily could soon join the many others who have been promoted within the business.

ALDI'S PLACEMENT SCHEME

The Aldi retail placement scheme takes university students on a one-year placement. This allows the chosen individuals to show what they can offer the business and to find out what the business can offer them. Aldi offers an excellent reward package for students on a placement, but in return expects trainees to have enthusiasm, drive and ambition. Successful students get the opportunity to apply for a place on Aldi's Area Management training programme.

To support their development, managers help employees to set personal goals. These are identified during an appraisal process. This is when a member of staff sits down with their line manager to evaluate past and current performance, to consider what skills are needed going forward and to set targets for the future. This could involve identifying further training or development opportunities.

CASE - STRATEGY QUESTIONS

1. What is the SWOT Analysis of ALDI's (SWOTT – Strengths/Weaknesses/Opportunities/Threats/Trends).
2. What makes ALDI's different from other retailers in the same field?
3. What could other organizations learn from ALDI's?
4. Where do you see organizational (structure) adjustments need to be made at ALDI's?
5. What would you do differently to reposition ALDI for future growth?