EXECUTIVE SUMMARY

The report is a brief overview of human resources its strategies and roles. The report analyse 'ALDI's' strategy to performance efficiently into the highly current competitive market. The report will first focus on introduction with a bit about history and initiation of 'Albrecht Discounts' that known as ALDI as well. Furthermore, the report draws attention to the strategies that ALDI possess and implement to survive in this competitive world, such as; Porters' cost leadership, differentiation strategy and operational excellence, and Porters' competitive forces to understand the external environment at glance.

How does ALDI provide consistent “low price, high quality product to its customer” & 'higher salary' compared to other competitors in the market have made many people curious across the globe especially ALDI’s business strategy that will further expressed in the report as well.

As the main purpose of constituting the report is to showcase the human resource; strategies', policies, role and theory with respect to ALDI, how it works and how it assist ALDI to form healthy and happy relationship with their employees. In addition, the report provides an analysis and evaluation of current strategies used by ALDI, few are mentioned below and further explained in the report:

- Human resource planning/practice
  - Recruitment and selection process
  - Training, development, performance management, and etc.
- Strategic human resource management
  - SHRM Model: Quality enhancement and
  - Management techniques

Finally report will state the conclusion in a nutshell with few recommendations to improve ALDI's processing.
TABLE OF CONTENTS

1. Scope of the report
2. Introduction
3. Company overview
   3.1. Porter’s 5 Analysis
   3.2. ALDI’s Integrated Cost Leadership/Differentiation Strategy
       3.2.1. Cost Leadership Strategy
       3.2.2. Differentiation Strategy
       3.2.3. Operational Excellence
4. ALDI HR
   4.1. Introduction to HRM within ALDI
   4.2. Major HR initiatives within ALDI
   4.3. Importance of Strategic Human Resource management in ALDI
   4.4. Resource based theory in ALDI
   4.5. Role of SHRM in ALDI
5. Strategic HRM
   5.1. SHRM Model: Quality Enhancement
   5.2. ALDI’s Management technique
6. HR Practices in ALDI
   6.1.1. Recruitment and selection
   6.1.2. Learning and Development
   6.1.3. Performance Management
   6.1.4. Remuneration and Benefits

CONCLUSIONS

RECOMMENDATIONS

APPENDIX

REFERENCES
1. **Scope of the report**

With increasing competition within the international and the Australian retail industry, players have to account for efficient strategies that would result in higher competitiveness within the industry of operation. ALDI, a major German based retailer which has operations in a worldwide scale has to account for such efficient strategies so that it has a competitive edge over other players. Although there are several resources within an organization that would be mandatory for a competitive advantage, almost all major researchers suggest that the most important resource is the human resource i.e. the employees. The report would analyse different factors within the HR management in the Australian arm of ALDI that has resulted in a competitive advantage for the organization. In particular, the report would analyse the HR strategy of the organization whilst evincing the role of the Human Resource function within the organization. Furthermore, the report would also illustrate the process of human resource planning, job analysis and design and such aspects within the management of human resources within ALDI.
2. Introduction

ALDI Einkauf GmbH & Co, which is abbreviated as ALDI (also an acronym for Albrecht Discounts) is a Germany based retail giant with operations around the world. ALDI is also Germany’s biggest retailer and is bifurcated in terms of operations as ALDI Nord and ALDI Süd (ALDI North and South). Although incepted in 1913 by the mother of Karl and Theo Albrecht, it was by the late 30s when the brothers ventured into the family business that the organization started growing. Karl and the late Theo are the richest Germans owing to ALDI’s shares still being held predominantly by them. Within Australia, ALDI operates as ALDI Süd and is a perfect exemplification of an efficient process based retailer. ALDI operates predominantly as a ‘value for money’ retailer focussing on cost leadership. Furthermore, the organization specialises within the realm of staple items and such everyday inexpensive household products. Within the organization, an efficient process combined with minimal variety has resulted in a competitive advantage for the organization. In addition to being low cost, a major factor with ALDI is that the organization has a ‘no frills’ policy which means that there is minimal filling of shelves and minimal customer service.

In terms of the strategy of ALDI, ALDI has a strategy based on minimising costs to the customer in such a way that the customer would be induced to inculcate repeat purchase behaviour. However, on further analysis, the organization prefers to differentiate itself from other major retailers including the likes of Coles Wesfarmers and Woolworths and thereby illustrating a differentiating strategy. For example, ALDI illustrates of a scenario wherein the organization has and supplies products which are rather inexpensive and ‘European’. In contrast to Woolworths and Coles, this illustrates that ALDI is not ‘proudly Australian’. This pointed that the organization has characteristics of both a cost leadership strategy and that of a differentiation strategy.
3. Company overview

3.1. Porter’s 5 Force Analysis:

![Porter's Five Forces Diagram](http://upload.wikimedia.org/wikipedia/commons/6/66/Porters_five_forces.PNG)

Figure 1. Diagram of Porter’s 5 Forces: A Model for Industry Analysis. Source: [http://upload.wikimedia.org/wikipedia/commons/6/66/Porters_five_forces.PNG](http://upload.wikimedia.org/wikipedia/commons/6/66/Porters_five_forces.PNG)

All the above 5 competitive forces jointly determine the intensity of industry competition & profitability. In other words it gives you a brief idea about where you stand in this competitive market environment thus giving a SWOT analysis of your company and telling you about the external environment.

Let’s analyse how these 5 Porter’s Forces can affect ALDI’s market share:

- **Threat of New Entrant**: Low cost grocery stores like Wal-Mart or any local farmer selling their home-grown fresh dairy product, vegetables, eggs (daily use product) entering the market can chew up ALDI’s customers and profit by providing fresh product at low price directly to consumers.

- **Threat of Substitute Product**: Threat from substitute product for ALDI is quite less but can cause major damage. Because it deals with everyday use household items where good quality, fresh product, low price is main factor but customer service could be an issue. A popular patented genuine product can also give serious headache to ALDI.
• **Bargaining Power of the Customers:** Here the economic situation of a particular region as well as buying power of consumer should be analysed before starting a store. It also depends on substitute product and the taste of the consumer should be considered by ALDI before setting up store or fixing a price.

• **Bargaining Power of the Suppliers:** Every organisation requires raw materials. Supplier if powerful can exert an influence on the producing industry by selling raw materials at higher price or by having a monopoly. Some of the low price suppliers may not focus on good quality.

• **Competitive Rivalry in an Industry:** Woolworths, Coles are the main rivals for ALDI in Australia. They can come up with a good strategy like higher salary to their employees compared to Aldi or these two can merge together to reduce prices much cheaper

So, how can Aldi tackle the above 5 Porter’s competitive forces and survive them? & how do grocery stores like ALDI provide high quality groceries at lower price consistently? The reason of how ALDI does it is supported by the generic strategic implemented by ALDI.

Michel Porter identified three generic strategies:

• Cost leadership.
• Differentiation.
• Focus.

Which can be implemented at the business unit level to create a competitive advantage? The proper generic strategy will position the firm to leverage its strength and defend against the adverse effect of the five forces. (www.quickmba.porter)
3.2. ALDI’s Integrated Cost Leadership/Differentiation Strategy

![Diagram of Porter's generic strategies with ALDI's Strategy: Integrated Cost leadership /Differentiation Strategy]

**Figure 2.** Porter’s generic strategies. ALDI’s Strategy: Integrated Cost leadership /Differentiation Strategy

### 3.2.1. Cost Leadership Strategy

ALDI is a typical ‘hard discounted’ store pursuing cost leadership strategy (Bonn, 2010.Pg 1). It is used to reduce the cost of the operation in running the grocery store. Below are some of the examples of implementation of cost leadership strategy used by ALDI stores.

- ALDI buys low price land mostly on city outskirts, builds cheap warehouse, employs tiny staff and displays items on pallet rather than on shelves (biz.yahoo.com)
- ALDI’s stores stocks about 700 products (everyday use household items like milk, vegetables, fruits, canned food etc) while a typical supermarket have in the range of 25,000 to 30,000 products (Bonn,2010,Pg 1)
- Due to fewer products available ALDI stores are usually 1200 square/meters in size while the biggest Coles super market is around 5000 square/meters.(Bonn,2010,Pg 2) The small size makes it cheaper
- A typical ALDI store employees 4 to 5 members compared with about 15 in a standard supermarket (Bonn,2010,Pg 2)
- ALDI also does not provide free shopping bag and encourage its customers to bring their own bags or purchase new shopping bag.
• Shopping cart requires a 2$ coin deposit, which is refunded when customers place back the trolley and this reduces labour and fuel cost to collect the trolley
• Unnecessary cost is always avoided. For instance Theo Albrecht, one of the co founded of ALDI switched off the light when there was enough daylight from outside (Bonn, 2010, Pg 4) and till now it is being followed. This might look to people as being stingy or miser. It’s like saving a drop of water from tap but in corporate world every drops count. In this its fine to stingy rather than on quality which they are not

3.2.2. Differentiation Strategy

So, how does brand ALDI set itself apart from other competitors in supermarket industry? Is it products, processes, costs, prices, distribution, market segment, concentration on specific merchandise? It could be little of everything or specific thing or none of the above (Borsch, 2010, Pg 2). The uniqueness about ALDI is that it is quite stingy in terms of cost cutting so that customers can get product at low prices but in terms on quality & payment it is not stingy. Customers get good quality product and its employees get good salary package. The point given below will help to you get a good idea in a brief way:

• ALDI pay’s its store assistant $19.10/hour and bonuses compared with industry award rate of about $15 an hour (Bonn,2010,Pg 2)
• The prices for general use products are less compared to other Australian supermarket. For example 1 kg of bananas cost $1.69 at ALDI, $1.98 at Woolsworth and $2.75 at Coles (Bonn,2010,Pg 9)
• ALDI’s brand strategy of low price & high quality product keeps its current customer loyal and attracts new customers just by its name. This Brand loyalty keeps customers away from rivals and discourages potential entrants in the grocery market (quickmba.com/strategy/generic)

3.2.3. Operational Excellence

As a part of ALDI’s strategy, according to Treacy and Wiersema research (1995) a company that uses an operational excellence strategy follows specific practices that lead to maintain its
operational efficiency. Specifically, within ALDI practices to keep its amazing turnover rate are:

- Capability of Inventory acquisition:
- Cross docking-logistics.
- Focuses Price-sensitive customer target market

ALDI has been maintaining its operational excellence improving its capabilities that support its operations in conjunction with a proper use of its resources maximization of the resources reaching the goal of operate in an efficient way.

Human resources management has been playing an important role in the organization, as was described before ALDI main operational idea exploits its resources efficiently. This strategy creates a challenge for the Human resources department in order to develop a proper human resources management strategy that goes parallel with its business strategy.
4. ALDI Human Resource

4.1. Introduction to HRM within ALDI

ALDI has realized that “people are the key to every success” (Working for ALDI 2011). As a result of the same, there is an efficient HRM system which focuses on delivery of an industry–leading training package. Furthermore, the staffs are rendered highly motivated and the recruitment process accounts for the selection of energetic and people with a ‘can-do’ attitude. In terms of the career progression too, there is internal promotion which increases motivation within the workplace. One of the major factors to be considered within each retail store is that the store being rather small, has lower numbers of employees thereby fostering communication and thereby positively affecting the psyche of each employee in such a way that the employee would not be considered as ‘just a number’.

4.2. Major HR initiatives within ALDI

ALDI is focussed on the betterment of welfare of the employees and as a result of the same, has efficient HR systems implemented within the organization. One of the major initiatives and an ‘Australian first’ was that ALDI was the first retailer to provide employees with paid maternity leaves. In addition to the same, the organization has higher pay scales when compared to similar other grocery retailing companies. Considering the 2009 Nielson barometer, the working conditions within ALDI is exemplary and is rated highest amongst competition. In addition to the same, industry surveys illustrate that in terms of trading terms and negotiations, ALDI’s management practices were exemplary.

4.3. Importance of Strategic Human Resource management in ALDI

ALDI, being an organization, which has operational efficiency as its core strategy, has to account for efficient human resource strategies that would allow the organization to operate in a more efficient format. Accounting for the research conducted by the likes of Jackson and Schuler (1995) and Wright & McMahan (1992), this illustrates that the human resources
within an organization is to be employed based on the HRM strategy that would, in turn be aligned with an organization’s competitive strategy. As a result of the same, these researchers conclude that human resources within an organization are a source for competitive advantage within an organization if ‘properly configured’. As Huselid (1995, pg 636) suggests, this is due to the fact that the efficient HR practices that are implemented within an organization would not only “exploit the potential for synergies but also be influential in implementing the organizational competitive strategy”. In addition to the same, as the retail industry within Australia is comprised of industry bigwigs like Coles Wesfarmers and Woolworths, it is mandatory for ALDI to possess a competitive advantage and as a result of which, have an upper hand over the competition. As Huselid (1995) illustrates, with the implementation of a human resource strategy that would not only focus on fiscal factors but also has a long term perspective i.e. a strategic human resource management system; this would result in the creation of a unique source of competitive advantage. Moreover, Huselid (1995) suggests that this competitive advantage would be difficult to replicate by the competitor companies which in ALDI’s case are predominantly Woolworths and Coles.

4.4. Resource based theory in ALDI

Considering the resource based view as illustrated by Barney (1991) the human resources within the organization can be employed with a view to provide a SCA (Sustainable Competitive Advantage) within the organization and Barney (1991) suggest that this could be possible only upon the fulfilment of four basic requirements within an organization. Firstly, the human resources within an organization must be employed with a view to add value to the processes within the organization. For this, appraisal of individual processes must be performed. Secondly, the skills sets within the human resources must be rare. An analysis of the recruitment strategies and human resource development strategies illustrate that these skills would be rate in nature. As a result of efficient HRD strategies and their implementation, the third factor i.e. imitation of skills by competition would be difficult. Finally, as Barney (1991) illustrates, the HR must not be made redundant owing to technological advances and since ALDI is within the retail segment, this would not be possible since the organization would require Customer Service Representatives (CSRs).
Considering the scope of the report, this part of the report illustrates of a strategy which is based on efficiency and therefore illustrating characteristics of both cost leadership and differentiating the organization from its competitors; which are mainly Coles Wesfarmers and Woolworths. Accounting for the major HR initiatives within the organization, it could be stated that the organization has an HR centric strategy. This could be evinced from the fact that ALDI has strategies which are focussed on the betterment of welfare of the employees and as a result of the same, has efficient HR systems implemented within the organization. There is an efficient employee motivation strategy which could be stated by major initiatives which were innovative HR strategies within the Australian context.

4.5. Role of SHRM in ALDI

The resource based view of the firm, which states “people are the key to every success” (Working for ALDI, 2011) has been proving SHRM value to the firm. A key competitive advantage in any industry must be leveraged by the Human Resources development functions. Habitually, HR functions faced a battle in justifying its position in organizations (Drucker, 1954), but beyond its mere administrative support functions, HR in the firm plays a more Strategic Role. No other department is able to absorb HR administrative responsibilities. However, by forcing HR to support daily business activities, has led to the development of Strategic HRM within ALDI. Currently SHRM main task is participating in ALDI’s corporate strategy rather than support operations and administration. As Porter’s (1980) describes on his model of generic strategies, ALDI who has an Integrated Cost Leadership / Differentiation Strategy, has to offer low prices in order to win market share within its price-sensitive customers. Currently the firm is taking advantage of economies of scale of its suppliers given to ALDI great control over the supply chain to ensure low costs.

Moreover, ALDI has to maintain its operating costs low. SHRM plays an important role to achieve this. SHRM managers extensively explored the link between HRM and ALDI’s Business Strategy supporting their strategy in the growing acceptance of internal resources as sources of competitive advantage that has been giving legitimacy to HR's assertion that people are strategically important to firm success (Hoskisson, Hitt, Wan, & Yiu, 1999).
ALDI has operated and maintained its core competence to keep prices low by relying on their employees. SHRM care about how to have the right people in the right positions applying the best practices to achieve its goals.

**Figure 3. Model of Human Resources as a Source of Sustained Competitive Advantage**
(Wright et al., 1994)

Within its SHRM framework stand the follow practices:

- **Working environment**: They keep employees working in small environments to deliver a feeling of importance among them.
- **Rewards and Recognition**: Individual and team based recognition are applied in a manner to keep motivated employees.
- **Career and talent management**: Simple management structure that allows employees to exploit their skills supported in training provided.
- **Performance assessment and feedback**: 360 degrees feedback model.
- **Compensation**: Competitive salaries with outstanding benefits.
- **Recruitment**: Getting the best people: highly motivated, energetic and with a hands-on can-do attitude.
5. **Strategic HRM**

5.1. **SHRM Model: Quality Enhancement**

According to Schuler & Jackson, ALDI business strategy fits in the Quality enhancement model by its characteristics and main features (1987). In any organization it is a key factor how they integrate the Business strategy and the Human resources management. Schuler & Jackson discuss a SHRM model that clarifies employee role behaviours and HRM within the organizations (1987):

<table>
<thead>
<tr>
<th>EMPLOYEE ROLE BEHAVIOR</th>
<th>ALDI’s ENVIRONMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relatively repetitive and predictable behaviours</td>
<td>• Few well defined task per role.</td>
</tr>
<tr>
<td></td>
<td>• no room for ambiguity or opportunities for decision making</td>
</tr>
<tr>
<td>A more long-term or intermediate focus</td>
<td>• Long term positions</td>
</tr>
<tr>
<td></td>
<td>• Offer stable and continuous jobs</td>
</tr>
<tr>
<td>A moderate amount of cooperative, independent behaviour</td>
<td>• No integrated tasks</td>
</tr>
<tr>
<td></td>
<td>• Single responsibilities within the organization between roles.</td>
</tr>
<tr>
<td>A high concern of quality</td>
<td>• High standard in the performance of tasks</td>
</tr>
<tr>
<td></td>
<td>• Simple tasks, easy to evaluate in performance</td>
</tr>
<tr>
<td>A modest concept of quantity of output</td>
<td>• Reduced number of inventories</td>
</tr>
<tr>
<td></td>
<td>• No personalized customer services as a strategy to increase sales.</td>
</tr>
<tr>
<td>High concern for process: low risk-taking activity: commitment to the goals of the organization</td>
<td>• Processes well delimited according business strategy.</td>
</tr>
<tr>
<td>HRM POLICIES</td>
<td>ALDI's ENVIRONMENT</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Relatively fixed and explicit job descriptions</td>
<td>• Every job at ALDI has specific tasks description.</td>
</tr>
<tr>
<td></td>
<td>• Task descriptions limited and sometimes restricted.</td>
</tr>
<tr>
<td>High levels of employee participation in decisions relevant to immediate work</td>
<td>• 360 Degrees feedback model</td>
</tr>
<tr>
<td>conditions and the job itself.</td>
<td>• Open to any suggestion about job tasks.</td>
</tr>
<tr>
<td></td>
<td>• Always looking after best working conditions environment.</td>
</tr>
<tr>
<td>A mix of individual and group criteria for performance appraisal that is</td>
<td>• Mostly individual tasks</td>
</tr>
<tr>
<td>mostly short term and result orientated</td>
<td>• Short-term duties with prompt results.</td>
</tr>
<tr>
<td>A relatively egalitarian treatment of employees and some guarantees of</td>
<td>• Always looking after best working conditions environment.</td>
</tr>
<tr>
<td>employment security.</td>
<td>Extensive and continuous training and development of employees.</td>
</tr>
<tr>
<td></td>
<td>• No formal training provided.</td>
</tr>
</tbody>
</table>

As can be seen in the tables above, ALDI performance in an excellent manner the employee role behaviour according to its strategy. ALDI’s employees profile must fit into this model where essentially people does simple tasks which are repetitive and where is not ambiguity left for decision making processes they are after people who seeks along term and stable position rather than a high development career opportunity. Besides, ALDI organizational structure includes processes that are well defined and follows a guidance that does not allow gaps for employees to make decisions that could affect the business. ALDI cares about work environment; one important pivot from its strategy is good compensation. ALDI have low
number of employees per store, in this way ALDI reduce costs given to the company the opportunity to offer better remunerations that its competitors.

5.2. ALDI’s Management technique

ALDI has a decentralised organisation structure. In 1961 Albercht brothers decided to decentralise ALDI into ALDINorth (run by late Theo) &ALDI south (by Karl). This decentralisation created 2 autonomous organisation (Bonn, 2010, Pg 1) enabling brothers certain freedom to pursue their own ideas.

ALDI implemented management by delegation technique where decision making task, responsibility, authority are delegated (allocated) as much as possible throughout the hierarchy to all the employees (D.F.Pinnow, 2011, Pg 53)

Within the tasks that are delegated to ALDI’s employees are:

- Those that can be fulfilled in a better and most cost effective way by others
- Those that makes the workplace more interesting & enjoyable
- Those that contributes to the professional development of employees It allows superiors to concentrate on vital issues (Bonn, 2010, Pg 6)
6. HR Practices in ALDI Organisation

ALDI has no department such as marketing, human resources, information systems, public relations. Inspite of that ALDI’s HR Practices are one of the best. So, how does ALDI run without above central functions like HR, PR etc? The responsibility lies with people in line functions who work on practical solutions and who are responsible for their implementation as well as their results (Bonn, 2010, Pg 5).

Generally there are 4 areas HR practices are classified and every employee goes through these phases.

6.1. Recruitment and Selection

To hire right person with right skills for right jobs with right attitude. ALDI traverse across the universities to find candidates with potential that fits into their organisation.

• The qualities Aldi looks in an eligible candidate are diligence, honesty, education, dedication, team player. (ALDIthinksmarter.com.au)

• Throughout the year, ALDI will be travelling across Australian university & recruiting the potential candidates through fairs, national careers and employment expos. If a candidate is graduated by a university degree they think smarter than other then they could be the one for whom Aldi is eager to employ. (ALDIthinksmarter.com.au).

• ALDI has always invested in graduate training programme, providing an attractive financial package. During the global financial crises it offered jobs to about 150 fresh graduates which were 50% higher than last year. (personnaltoday.com)

• Recent development suggest that they are aiming to fill at least 200 graduate positions over the next four years and plan to open over 25 new stores this year alone. Each new store will bring smarter shopping, employment opportunities and retail competition to local Australian communities. (ALDIthinksmarter.com.au)
6.2. Learning and Development

This phase is a continuous process where employees learn and develop through training, their experience and by seeing others. ALDI’s commitment to its employees is best described in its corporate responsibility given below

- “Our people are the focus of our company. ALDI’s management system governs in details all aspect of leadership, employee management & personal development. It is well established and known to all employees.

Our relationships are built on the principles of cooperation, honesty, trust, respect, individual empowerment, accountability, mutual support and learning.

We are committed to provide our employees with personal fulfilment and development, training, recognition, attractive remuneration and job security” (www.ALDI.co.uk)

- In ALDI new trainee gets a proper professional training which helps to work in an efficient & effective manner. The training covers the complete spectrum of management from store operation, product trading, financial, and logistic & property management (graduatesALDIrecruitment.co.uk). It requires a lot of hard work, optimism to complete this intensive, demanding at last fruitful training.
- ALDI’s graduate training program is gateway to a rising career by giving them training in every vital area like finance, soft skills.

6.3. Performance Management

To motivate, to understand their employees capability, to know whether they are up to mark and where they stand in ALDI performance test are done.

- “360 degree feedback” is generally the most commonly used in Aldi, to evaluate the performance of their staff. It is overall assessment coming from all direction. In this feedback information is collected from employee’s peer, subordinate, supervisor about that particular employee which are used to fine tune a particular or group of employees for training.
6.4. Remuneration and Benefits

Good salary, bonuses and holidays are reward to employees for their hardwork, skills and to retain them because for ALDI their employees are valuable asset.

- ALDI is the first grocery store who started maternity (Paid) and other related rewards for their employees in April 2008. (ALDI.com.au)
- To reward their staff in this competitive environment, ALDI is the only grocery store who provides above average salary to their staff and care for their working conditions. (ALDI.com.au).
- They also get impressive compensation package & retirement saving plans because ALDI’s employees deserve them.
- ALDI allows their employees flexible hours & employees rosters (list of people) are done well in advance so people can plan their holidays, personal commitment around their work schedules. (mycareer.com.au)
CONCLUSIONS

In terms of corporate strategy ALDI uses integrated cost leadership / differentiation strategy which aligns with ALDI’s philosophy “where all people are able to buy grocery of highest quality at lowest price”. The employees also get high salary, compensation, paid leave maternity leave and promote the development of talent.

ALDI’s HRM strategy is matched to its business strategy. ALDI currently is a vivid example of how a proper business strategy could be implemented given excellent results, maximizing its resources and developing its capabilities. An enhancing quality strategy well implemented in HR is essential to reach the goals within Companies that manage Integrated Cost leadership / Differentiation.

ALDI’s Effective HRM practices influence company performance; it plays an important role in the company. Few employees, well remunerated, doing specific tasks reduce the possibility of mistakes leading to an operational excellence for the company.

RECOMMENDATIONS

After analysed ALDI SHRM, we could concluded that has been demonstrated that the company is following all the parameters theatre aligned to corporate strategy delivering excellent results in profitability and growth. From the theoretical point of view, we believe that HR is doing his job properly and the only recommendation is to keep doing it, in order to support the growth of the company in Australia.
Appendix 1.

ALDI FACTS '08

ALDI fact #17
In April 2008, ALDI became the first grocery retailer to offer paid maternity leave to all employees. Our salaries are well above market rates and working conditions are considered to be some of the best in the industry. Now that’s smarter shopping.

ALDI fact #18
In 2008, we were the first major supermarket in Australia to offer paid maternity leave to all staff. Now that’s smarter shopping.

ALDI fact #19
Our salaries are well above average and our working conditions are amongst the industry’s best. What’s more, the 2009 Neilson Barometer placed us first in fairness of trading terms and negotiations. Now that’s smarter shopping.
Appendix 2.

Individual contributions statement:

It is important to note that the three participants that developed the report, worked equitably. However their major contributions were distributed as follows:

HASHEM ALMARTMY:
- ALDI’s company overview
- ALDI’s strategy

CESAR CARRENO:
- SHRM strategy model
- HRM Role and functions

SHITIJ TYAGI:
- HR Practices
- ALDI’s Porter Analysis
Reference:

- From Article “ALDI in Australia” by Ingrid Bonn, 2010
- From Article “Brand Monopoly Who Commands the Most Attractive Position” by Dr.Oliver Borsch,2010
• http://www.ALDI.com.au
• http://www.ALDI.co.uk
• http://content.mycareer.com.au
• http://dictionary.reference.com
• http://biz.yahoo.com/ic/54/54910.html