

Our four stakeholder ambitions

Our colleagues

Engaged and motivated colleagues

Colleagues sharing in the success of the business

A fair day's pay for the work they do



Five ways of working

Our five ways of working underpin everything we do and how we operate. They provide a clear and consistent way of doing things and apply to every colleague in Morrisons across our stores, sites and central teams.

Customers first

Customers are at the heart of everything our colleagues do. We care about our customers and do all we can to always put them first.

Teamwork

Through teamwork, colleagues can help each other to get things done, knowing that we can achieve more together. Each colleague plays their part in the team, respecting and working with others to get better results. To ensure we serve our customers better, especially at the times of the year that mean the most to them, such as Christmas, all colleagues working in central roles help out in stores.

Freedom in the framework

Freedom in the framework means colleagues have the freedom, and are trusted, to make decisions to help achieve our priorities.

Listening and responding

Listening and responding quickly is at the heart of the turnaround. Taking the time to listen to all of our stakeholders is embedded in the way we work across the business.

Selling, controlling costs, growing profits and removing waste

All colleagues are food makers and shopkeepers and are encouraged to do everything they can to help sell more, manage our costs more effectively, and identify opportunities to improve how we do things.

Having a say on what matters

Giving our 100,000 colleagues the opportunity to have their say on what matters is critical to the turnaround and continues to drive better business outcomes. By listening hard to colleagues and responding, we are able to quickly address the things that make a real difference to both colleagues and customers.

This year we continued to work with colleagues through our 'Your Say' forums in every store and site, with local representatives getting directly involved in improving their place of work. At our national 'Your Say' forum, colleagues from across the business came together with members of the Board including Non-Executive Directors and some of the Leadership Team to discuss some of the opportunities to improve Morrisons.

In our annual 'Your Say' survey we heard from more than three-quarters of all our colleagues, achieving a strong overall engagement score of 76%. There were some particularly strong scores: on colleagues understanding how their role contributes to the success of Morrisons (89%); and feeling trusted to do their job in a way that puts customers first (89%). During the year, we have also trialled smaller 'Pulse' surveys, allowing us to track engagement levels throughout the year. The insight from this additional data will be something we will focus on in the year ahead.

We have also introduced further two-way communication channels between front-line colleagues and our central teams. These online 'Communities' allow teams working at every stage in our supply chain to talk immediately about products, packaging and quality, to quickly work together to improve the experience for our customers.

A fair day's pay

Our turnaround is colleague-led and it is important that everyone's contribution is fairly rewarded. During 2018, we listened hard to our colleagues' views on a fair day's work. In our 'Your Say' survey, 71% of colleagues told us they receive a fair day's pay for a fair day's work, 22% pts ahead of the retail industry benchmark provided by a third party survey.

During the year we again improved our market competitive rate of pay for our front-line store colleagues, increasing from £8.50 per hour to £8.70 per hour. We also took the opportunity to invest further in the 6,000 team managers who run our in-store departments, introducing a performance-driven pay award to replace the previous flat rate, and increasing their maximum bonus opportunity.

We recognise the importance of helping our colleagues manage both their time at work and their wellbeing, and are developing a comprehensive plan for 2019.



Our four stakeholder ambitions continued

Our colleagues

New operational structures

We introduced our new store management structure early in the year. The structure is simpler, with broader team manager roles which are designed to provide better support and guidance to our front-line colleagues. By changing the structure we removed around 1,500 management roles and reinvested in front-line colleague hours. Of those affected by the structure change, we retained the skills and experience of over 800 colleagues in other roles. Towards the end of the year we invested in technical and behavioural training, to further raise the capability of our store management teams.

Tools and training to do the job

We have continued to add modern tools to 'MyMorri', our digital platform for colleagues. This platform allows instant electronic contact with all our colleagues for the first time. During the year, this platform was used to launch new applications, for example, allowing store colleagues to request their holiday dates and check their work schedule online, at any time, from any device.

'MyMorri' has also benefited from additional investment, including the launch of a news desk feature that brings all the latest news about the business directly to colleagues. In addition, we have trialled a new system to give colleagues greater control of their schedules, allowing them to better manage their availability, swap shifts with others and ask for additional shifts. We will introduce this system for all store colleagues from next year.

Mastercraft

We continue to recognise the food maker and shopkeeper craft skills of our specialist colleagues, through our national Mastercraft competition.

This year, from the hundreds of colleagues in craft skilled roles who competed in the initial rounds, 44 finalists demonstrated the expertise with which we make and provide food we are all proud of. The 11 categories included traditional areas such as Butchery, Fishmongery and Bakery, as well as Floristry and Fruit & Veg. The competition also looks to recognise and award our 'Craft Apprentices of the Year'.

Lynda Davies,
Fishmonger apprentice
finalist from Leigh



Creating opportunities to develop, progress and grow

During the year, over 500 colleagues started one of our 'Pathways' programmes, which prepare them for further internal progression.

At the same time, we recruited over 250 colleagues onto our skilled apprenticeship programmes in areas ranging from Butchery and Bakery to Engineering and Floristry. We also prioritised the expansion of our market leading Degree Apprentice programme, bringing the total on this scheme to 110. In addition, we continued to operate our more traditional graduate programmes, with a further 80 colleagues starting in September 2018.

A real strength of our young talent programmes is the way in which they attract friends and family. This year almost 40% of our combined Degree Apprentice and Graduate programmes offers were made to the friends and families of existing colleagues. Our Generations campaign, which identifies colleagues and their family members who have started one of our young talent programmes proved particularly effective, doubling the number of applications received last year.

We also started our new 'Morrisons in schools' programme during the year, which enables our stores, sites and offices to work closely with local schools to build a strong pipeline of talent. This activity supports our social mobility work, especially in those areas where our stores are in social mobility 'cold spots'. We were delighted to again be ranked highly in the 'Top 50 Social Mobility Employer Index', and to win the 'Top Retailer' Award for School Leavers from All About School Leavers in 2018.

Highly valued and treated with respect

As we continue our turnaround, it is important to ensure that our culture fully reflects our core purpose, ways of working and ambitions for all our stakeholders. During the year we launched our 'Leading with Respect' training, to better equip line managers with the skills to create the right environment.

We also reviewed our recognition tools, and created more opportunities for managers to recognise their colleagues and reward them in the moment, whether for excellent service, great teamwork, or being great examples of one of our five ways of working.

In addition, we have continued to work on improving our talent and gender balance. During the year, we employed 57,611 females and 46,019 males, increased the overall proportion of female store managers to c.20% and maintained the proportion of female regional managers at over 26%.

We are particularly proud of the work we have done to increase female representation at senior levels. This has been recognised in the November 2018 Hampton Alexander report with Morrisons shown as the fifth best performer in the FTSE 100. At the end of the 2018/19 financial year, the Leadership Team included 16 female members, representing 28% of its total composition.

At the same time, we continue to celebrate and promote the diversity of our colleagues. This has included working with our new LGBT network to attend Pride events, running a new programme in stores for women in leadership, and starting a Black, Asian and Minority Ethnic (BAME) listening programme to understand how we can better create opportunities for these colleagues. This will continue to be an important area of focus in 2019.

Our World Foods
Senior Buying Manager,
Noor Ali, won the
'Diversity Champion'
award at the 'Forward
Ladies, Yorkshire
2018 awards'

