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1. Introduction

Organisational culture plays a key role in how companies actually operate in practice. It influences how decisions are made, how employees behave, and how organisations respond to challenges. In simple terms, it reflects the shared values and expectations that guide everyday behaviour within a company.

In modern organisations, culture is not only linked to performance but also to employee wellbeing. Smollan and Mooney (2023) highlight that organisational culture shapes performance expectations and can have both positive and negative effects on employees. While strong performance-focused cultures can improve efficiency, they can also create pressure and stress.

At the same time, Denison et al. (1991) argue that organisational effectiveness is closely linked to key cultural traits such as involvement, consistency, adaptability, and mission. These factors help organisations perform well and remain competitive in changing environments.

This report analyses the organisational culture of Tesco and explores how it influences structure, decision-making, and overall effectiveness. It also evaluates whether Tesco's culture acts as a strength or a limitation within the organisation.

2. Overview of Tesco

Tesco is one of the largest retail organisations in the UK and operates in a highly competitive market. The company offers a wide range of products and services, and its success depends heavily on its ability to meet customer expectations.

A key aspect of Tesco's strategy is its focus on customer satisfaction and the use of data to support decision-making. For example, Tesco uses customer data to understand buying behaviour and improve its services.

According to Bhujel (2024), customer satisfaction in Tesco is mainly influenced by price, product quality, and customer service. These elements are central to Tesco's operations and reflect a culture that prioritises performance and results.

In my opinion, this shows that Tesco's culture is strongly focused on achieving measurable outcomes, particularly in relation to customers.

3. Influence of Culture on Structure and Decision-Making

Tesco's organisational culture has a strong influence on how decisions are made within the company. The organisation follows a performance-driven approach, where decisions are based on data and measurable results.

Smollan and Mooney (2023) explain that organisational culture shapes performance expectations, and this is clearly visible in Tesco. Employees are expected to meet targets, which influences both their behaviour and the organisation's decision-making processes.

Tesco also operates within a hierarchical structure, which helps maintain consistency across its operations. This reflects the idea of consistency described by Denison et al. (1991), where organisations rely on structured systems to ensure coordination and control.

However, while this structure supports efficiency, it may also reduce flexibility. From my perspective, this can be a limitation, especially in situations where quick or local decisions are needed.

Another important issue is the pressure created by performance expectations. Smollan and Mooney (2023) suggest that high expectations can lead to stress, even when employees are achieving their goals. This means that Tesco's culture may improve performance but also create challenges for employees.

4. Understanding Tesco's Culture

Tesco's organisational culture can be understood through its focus on performance, customer satisfaction, and efficiency.

Denison et al. (1991) identify four key cultural traits: involvement, consistency, adaptability, and mission. Tesco demonstrates:

- Consistency through its structured processes
- Adaptability through its ability to respond to customer needs
- Mission through its strong focus on customer satisfaction

However, involvement may be more limited due to the hierarchical structure, which may restrict employee participation in decision-making.

Another useful perspective is provided by Hogan and Coote (2014), who build on Schein's model and explain that organisational culture can be understood through values, norms, artifacts, and behaviours. This is useful when analysing Tesco because its culture is not only visible in performance outcomes, but also in the expectations placed on employees and the routines followed across the organisation.

In Tesco's case, values such as performance and customer focus shape the norms expected from employees, and these norms are reflected in behaviours such as meeting targets and maintaining efficiency.

In my opinion, this shows that Tesco's culture is strong in terms of structure and performance but may lack balance in terms of employee involvement.

5. Subcultures within Tesco

In large organisations such as Tesco, it is unlikely that a single, uniform culture exists across all levels. Instead, different departments and areas of the organisation may develop their own subcultures.

For example, store-level employees may experience a more structured and performance-driven culture, where meeting targets and maintaining efficiency is a priority. In contrast, head office teams may operate in a more flexible and strategic environment, focusing on long-term planning and innovation.

Smollan and Mooney (2023) suggest that organisational culture can vary depending on roles and expectations, particularly when performance pressures differ across departments. This can lead to different experiences of the same organisational culture.

Hogan and Coote (2014) also explain that values influence norms, and norms shape behaviours. This helps explain why subcultures exist within Tesco, as employees in different roles experience different expectations and behaviours.

From my perspective, this is important because it shows that culture is not always consistent across the organisation. While the overall culture may emphasise performance and efficiency, employees in different roles may experience this differently.

6. Culture as an Enabler or Barrier

Tesco's culture can be seen as both a strength and a weakness.

On one hand, it acts as an enabler by supporting efficiency, customer focus, and performance. These elements are essential for success in the retail industry. Denison et al. (1991) support this idea by showing that strong cultures are linked to higher organisational effectiveness.

On the other hand, the same culture can act as a barrier. The pressure to meet performance targets can negatively affect employees. Smollan and Mooney (2023) highlight that employees may achieve results while experiencing stress.

In my opinion, Tesco's culture is effective but not fully balanced. It supports business success but may overlook employee wellbeing.

6.1 Critical Evaluation of Organisational Culture

While the analysis of Tesco's organisational culture highlights several strengths, it is also important to critically evaluate the limitations of the theoretical models used.

Denison et al. (1991) provide a useful framework by identifying key cultural traits such as consistency and adaptability. However, this model may oversimplify complex organisations like Tesco, where multiple cultural dynamics exist simultaneously. In practice, large

organisations often experience tensions between maintaining consistency and encouraging flexibility, which are not always easy to balance.

Similarly, Hogan and Coote (2014) suggest that organisational culture operates through different layers, including values, norms, and behaviours. While this model helps explain how culture influences performance, it assumes a relatively linear relationship between these elements. In reality, organisational culture is more dynamic, and behaviours can also reshape values over time.

Another limitation is that most models rely on general organisational assumptions rather than specific company data. In the case of Tesco, the analysis is based on secondary sources, which means it may not fully reflect internal employee experiences.

From my perspective, this shows that while theoretical models are useful for understanding organisational culture, they cannot fully capture the complexity of real organisations. Therefore, they should be applied carefully and supported with practical evidence.

7. Additional Perspective (Hofstede)

Hofstede (2011) provides another way of understanding organisational culture by focusing on how values influence behaviour.

One important concept is power distance, which refers to how authority is distributed. Tesco's hierarchical structure suggests a moderate level of power distance.

Another concept is uncertainty avoidance. Tesco's use of data suggests that it reduces uncertainty through measurable information.

In my opinion, Hofstede's model helps explain why Tesco focuses on structure and data-driven decision-making.

7.1 Culture and Innovation in Tesco

In addition to structure and performance, organisational culture also plays a key role in supporting innovation. Hogan and Coote (2014) argue that organisations with strong cultural alignment between values, norms, and behaviours are more likely to encourage innovative practices.

In Tesco's case, its use of data and customer insights can be seen as a form of innovation that is supported by its organisational culture. The company continuously adapts its services, pricing strategies, and product offerings based on customer behaviour.

However, innovation within a highly structured organisation can be challenging. A strong focus on control and performance targets may limit employees' willingness to take risks or experiment with new ideas. This suggests that while Tesco's culture supports efficiency, it may not fully support creativity and innovation at all levels.

From my perspective, Tesco would benefit from encouraging a culture where employees feel more comfortable proposing new ideas, rather than focusing only on meeting targets. This could improve both performance and long-term competitiveness.

8. Impact on Performance and Recommendations

Tesco's organisational culture has a strong impact on its performance. Its focus on customer satisfaction, efficiency, and service quality helps the organisation remain competitive (Bhujel, 2024).

Denison et al. (1991) support this by showing that organisational culture is a key factor in effectiveness and performance.

However, there are also risks. A strong focus on performance can create pressure on employees. Smollan and Mooney (2023) highlight the importance of balancing performance expectations with employee wellbeing.

Hogan and Coote (2014) further argue that organisational culture supports innovation, which in turn improves performance. This suggests that organisations should not only focus on efficiency, but also encourage behaviours that support new ideas and improvements.

From my perspective, Tesco could strengthen its performance by creating a better balance between control and innovation.

Based on this analysis, Tesco could improve by:

- Focusing more on employee wellbeing
- Reducing excessive performance pressure
- Encouraging more flexibility
- Supporting innovation and new ideas
- Balancing short-term results with long-term goals

9. Limitations of the Analysis

This analysis has several limitations that should be considered.

Firstly, the report is based entirely on secondary data sources, which means it does not include direct insights from Tesco employees or internal organisational data. As a result, the findings may not fully represent the actual experiences within the organisation.

Secondly, the use of theoretical models such as Denison et al. (1991) and Hofstede (2011) provides a general framework but may not fully capture the complexity of a large multinational organisation like Tesco.

Finally, organisational culture is constantly evolving, particularly in response to external factors such as competition and technological change. Therefore, the analysis represents only a snapshot rather than a complete or permanent view of Tesco's culture.

Despite these limitations, the report provides a useful overview of how organisational culture influences structure, decision-making, and performance.

10. Conclusion

Overall, organisational culture plays a central role in shaping how Tesco operates, influencing its structure, decision-making processes, and ability to respond to a highly competitive environment. The analysis shows that Tesco's culture is strongly performance-driven and customer-focused, which allows the organisation to remain efficient, consistent, and competitive within the retail sector.

At the same time, the application of theoretical models such as Denison et al. (1991), Smollan and Mooney (2023), and Hogan and Coote (2014) demonstrates that organisational culture is not only a driver of performance, but also a factor that shapes employee behaviour, expectations, and overall wellbeing. Tesco's emphasis on targets and measurable outcomes clearly supports organisational success, but it also creates pressures that can negatively impact employees if not managed carefully.

Furthermore, the analysis highlights that organisational culture within Tesco is not uniform. The presence of subcultures across different departments suggests that employees may experience the organisation in different ways, depending on their role and level of responsibility. This reinforces the idea that organisational culture is complex and dynamic rather than fixed.

In addition, while Tesco's structured and data-driven approach supports efficiency, it may limit flexibility and innovation at certain levels. As discussed, encouraging a better balance between control and creativity could strengthen long-term performance and adaptability.

In conclusion, Tesco's organisational culture can be seen as both an enabler and a potential limitation. It supports strong business performance and customer satisfaction, but it also requires careful management to avoid negative impacts on employees and innovation. From my perspective, achieving a better balance between performance, employee wellbeing, and innovation will be essential for Tesco's continued success in the future.

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