

Assignment 1

INTRODUCING THE MODERN WORKPLACE

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HARRODS

STRUCTURE AND CULTURE

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Introduction

Management structure determines the power, roles and responsibilities that are assigned with the operations that determine the way by which information flows in different levels of management. It creates communications, duties and morale among the organizational people that improves organisational performance. The present study analyses the organizational structure and organizational culture of departmental store of the UK namely Harrods to identify their impact on organizational performance. Different factors of organizational structure like vision mission, strategies, plans and cultures like leadership, values, principles, behaviour and styles are evaluated.

Discussion

Management Structure

Vision of the management is based on external and internal capabilities and environment as well as the nature of the customers (Bowen, 2018). Visions statements are created by Harrods to create future based strategies as well as direct and inspire the employees of the company rather than the customers. The vision statement of Harrods includes commitment to improve the service quality and provide solutions for building relationships with the employees to gain trust (Harrods, 2019). Vision of the company also includes improvement of employee values and behaviours of the employees as well as increase integrity among the employees. Value teamwork is created by the organization to improve integration between the employees that is essential for creating positive working culture in Harrods.

Missions and Objectives

Mission statement of Harrods is to be the number one department store in the world for maintaining quality of retail standards, profitability, and expertise and become luxury brand. The company combines the products with eccentricity and innovation in order to provide unforgettable experiences to all customers in British environment (Harrods, 2019). As brand is the life force of

the business of Harrods exceeding experience of the customers is also a part of their mission. Therefore, the company focuses on a brand message to communicate with the consumers and establish a relationship with them.

Objectives of Harrods are to create proper brand value for the customers and improve their organizational profitability and performance in order to provide effective services to the customers. Strategic plan is created by the company to provide great customer services. According Steinbach et al. (2017), contingency management theory can be followed by the company to improve the business operations and organizational structure as well as effectiveness of management in different situations. It helps the leaders to make decisions based on the changing circumstances and environment. This theory determines the characteristics of leaders and managers that included behaviour and personality of the managers and the way by which the managers can change their management style based on the environment.

There is different organizational structure such as functional structure, divisional, matrix and the administrative structure (Van Wart and Denhardt, 2019). Harrods follows matrix structure in their operations and in this process, the company maintains functional structure in the UK operations and divisional structure is followed in the overseas operations. In structure helps the managers to determine the issues faced by the employees and improve services based on their feedback to increase overall company performance. For this purpose, administrative theory of Fayol's is adopted by the company to emphasise management functions and generate broad administrative principles to set guidelines for organizational activities (Rosen bloom, 2016). Therefore, it is effective for Harrods to maintain proper retail services and maintain unity and discipline in the workplace that is essential for collective growth.

Strategies

Strategies of Harrods depend on the increasing the expertise and design a structure for the employees after building HR capability and planning. Human resource processes of Harrods deals with the monitoring, planning and controlling the activities of human resource. As mentioned by Ghinea and Moroianu (2016), interaction between the employees is improved and it is effective for smooth transition of activities and information among the employees and helps the managers to engage the employees to the productivity.

Taylor's scientific management theory can be followed by the organization to improve efficiency of the individuals and use intensive technology for increasing production (Waring, 2016). The strategies of the company depend on unique reputation of their key brand values such as luxury, innovation, service, sensation and British market.

Resource based theory are followed by the company to determine their resources and improve firm performance (Hitt et al., 2016). The resources enable the organization to obtain competitive advantage in the British and international market. The resources include physical and human resources and a resource-based view is created by the organization to create proper strategies for increasing productivity and performance for the employees. Work efficiency of the employees needs to be improved through this process. Scenario-planning approach is taken by the company to determine the resources for new HR structure. It creates a benefit for the organization to make business -facing HR, centres of excellence and create 'employer brand'. In this process, new centralised HR operations are created by the company to improve employee relations. Ad-Hoc information requires, and mange m systems are created to manage all systems and maintain employee performance (Harrods, 2019).

Harrods involves strategic planning for managing the employees that is effective for creating a motivated and productive workforce. In this company, human resource management plays an important role in achieving high performance in the international market. An organised structure is maintained by the organisation enter into the new market and ensures business expansion. On the other hand, according to Noe et al. (2017), human resource planning is also essential for increasing the operations of departmental store. Therefore, the company involves training and development, career planning, appraisal analysis included in the structure to improve the performance of the company.

The organization needs to include HR staffing plan, employee handbook and companywide safety procedures in order to motivate the employees to maintain good performance. Record of the performance of the employees need to be taken to determine the skills and performance of the employees and the company can take different strategies like training and other motivational strategies for the employees to increase productivity. It is also essential for improving organisational cultures and values. Proper leadership structure can be

taken by the company to boost their business (Katou, 2015). The business plan of Harrods is created by bringing innovative technologies, accessing the resources and ensuring proper communication channel to improve the interaction of the employees and attracts the customers.

Organisational culture

The leadership function within Harrods is one of the key contributing factors to the company being one of the most recognizable brands across the world.

Harrods primarily relies on a functional approach with regards to their leadership strategies and utilizes the contingent models of leadership to ensure that the internal stakeholders are actively engaged and remain productive. The specializations within the organization are also decentralised to a large extent, and this further increases the need for a highly functional method of leadership that offers adaptability and flexibility. Harrods has one of the lowest figures of employee turnover when compared to other chain store brands in the UK, and the sound system of managing human resources in a functional manner has been one of their strongest points.

The values of Harrods primarily focus on an inclusive policy whereby discrimination and bias are essentially absent. The organization emphasizes heavily on their human resources through their values and it is evident within their internal training programs and recognition systems. The company was surveyed to be the most employable luxury organisation three years in a row, and this further emphasizes on their values of striving to exceed expectations and building trust within their business environment. The company regards its external stakeholders and internal members as one unit and tries to grow in a highly inclusive manner relying on functionality and optimization at every level.

Considering the principles within Harrods, customer satisfaction and employee engagement are the key areas of focus as the company strives to become the most recognizable luxury brand across the world. As Harrods caters primarily to the wealthy and elite classes, customer relationship management and ensuring that the client bases are satisfied at every step of the purchasing roadmap becomes increasingly important. Harrods tries to inculcate a highly organised method of managing their customers, and this includes efficient orientation programs that focusing on improving the quality of their workforce in a continuous manner. They further make use of automated processes to streamline the various elements of customer management, and this has substantially

elevated the company to becoming one of the most profitable brands within the UK.

The organisational style within Harrods has proven to be highly effective because the brand has continuously produced healthy revenue figures over the years. The basic idea in this context is to align all the individuals and departments within the organisation and ensure that utmost coordination and collaboration is maintained (Crane, 2017). Their marketing strategies and promotional campaigns have also been aligned with their core organisational objectives, and this has largely enabled the company to maintain a strong financial standpoint irrespective of external limitations and hindrances.

Organisational behaviour is another crucial aspect within every organisation, and Harrods takes great pride in ensuring that the behaviour within their organisation remains as transparent and effective as possible. The behaviour of the internal stakeholders largely determines the overall organisational behaviour within the organisation (Anitha, 2016). As Harrods market themselves as a luxury brand offering premium products, the individuals are specifically trained to resolve any conflicts both relating to internal disagreements and consumer grievances. This has been one of the most important elements when considering the widespread success of Harrods, as the company posted a net income of over £240 million in the financial year 2018.

The overall organisational culture of Harrods can be extensively understood using the models of Schein's organisational culture and Johnson's cultural web.

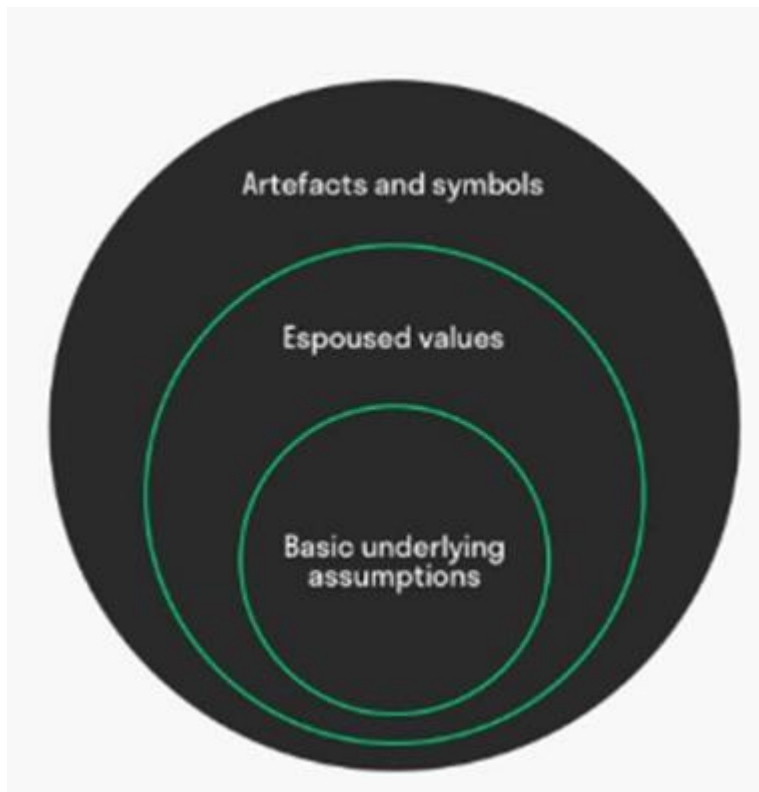


Figure 1: Schein's organisational culture

(Source: Corfield and Paton, 2016)

The organisational culture model as established by Schein in 1980, talks about the organisational culture as the cumulative of the artefacts within the organisation, the espoused values and the various underlying assumptions that the organisation function based on. In the context of Harrods, the artefacts would include the various packaging and external covers, the logos, brandings, trademarks, proprietary intellectual properties and so on. The artefacts are some of the most identifiable aspects of an organisation and are recognized easily by internal and external stakeholder's alike (Kujala et al., 2016). The espoused values refer to the various strategies, standards and codes of conduct that exists within Harrods and these could be difficult for external stakeholders to identify easily. The underlying assumptions refer to the core principles that Harrods operates by, and includes the concepts of trust, customer satisfaction and reliability.

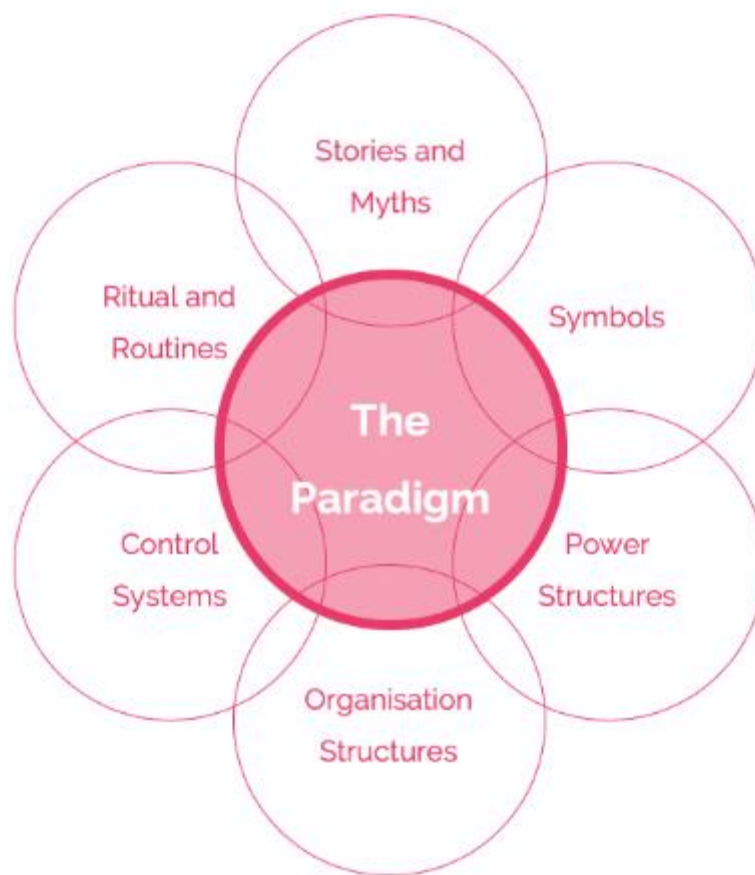


Figure 2: Johnson's Cultural Web

(Source: Cooper et al., 2019)

Johnson's cultural web expands on the organisational culture model and essentially forms a paradigm between the various interrelated elements that form and develop the culture within an organisation. The cultural web starts off with the various stories and myths that surround an organisation and goes on to describe the various corporate rituals and daily routines, the symbols of the organisation, power and organisational structures and the various control systems.

The cumulative presence of the various management structures along with the efficient measures of leadership is essential to the smooth operational flow that currently exists within Harrods. The equilibrium between the two is possibly the most crucial aspect with regards to ensuring that the working conditions and the work satisfaction within the organisation are relatively healthy, as they bear a direct correlation to the overall levels of productivity and performance internally.

Conclusion

In conclusion, it may be stated that the organisational culture and the various management structures have been key contributing factors with regards to the widespread success of Harrods over the years. The use of the frameworks further goes on to describe the organisational culture by breaking it down into the key components and outlining the significance of each component in a comprehensive manner. Harrods has successfully marketed themselves as one of the premier luxury brands within the UK and continue to strive for larger degrees of success.

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