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Programme-----BA(Hons) Leadership and Management Skills for the Workplace

Title----- Organisational Culture (Individual Report) Component 1

Module Code-----LCLM 5005

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Table of Contents

- 1.Introduction
- 2.Organisational, Culture, of Tesco Organisation
- 3.Organisational Culture Shape, Structure and Decision- Making
4. Advantage/disadvantage Functional Structure of Tesco
5. Schein's Relevant Framework, Models, Theories for Tesco Organisation
6. Organisational Culture Adaptation, to External Environmental of Tesco
- 7.Organisational Culture and Effective Functioning of Tesco
8. Evaluation of Impact Tesco Culture of Organisational Performance
- 9.Adapting to external Influences
- 10.Impact performance Recommendation
- 11.Evidence Recommendation for Improvement.
- 12.Conclusion
- 13.References

1. Introduction

Tesco one of the UK's leading retailer markets has established a robust organisational culture that drives its performance and adaptability in the competitive retail landscape. As noted by Jonhson et al. (2017) organisational culture significantly influences strategic decisions and operational efficiency. Tesco's culture focuses on customer services, competitiveness, and structured operations, enabling into navigate challenges like digital shifts and sustainability demands. With operations spanning the UK and internationally,

Tesco's customer -centric approach and adaptability have contributed to its market position. This report evaluates Tesco organisational culture and its impact on performance, exploring how the company's structure and strategies drive success in a dynamic retail environment (Burt et al,2018; Mintel, 2020). Founded in 1919, Tesco has grown to become one of the world largest retailers, with over 7,000 stores worldwide (TescoPLC,2020)

The company mission is to “serve customers a little better every day “(Tesco PLC, 2020), Driving its customer-centric approach commitments innovation. Tesco's organisational culture priorities customer satisfaction, collaboration, and innovation, influencing its decision-making and operations (Bratianu,2017).

2.Organisational Culture of the Tesco Organisation.

Tesco's Organisational Culture is a mix of customer focus, competitiveness, and structured operations, driving it performance of its success in the retail market. The company's customer centric influences decision -making, innovation, and engagement. (Tesco,2022) Tesco has established itself as a leading retailer in the UK and Internationally. The company's values include respect its structure in sever always.

Aspect of Tesco's Culture.

Customer-Centric—Focus on meeting customer needs through personalised services (Tesco Clubcard) Prioritising customer satisfaction and loyalty through tailored offers and services.

Competitive—Emphasis on efficiency and value to compete with supermarkets and online retailers.

Structured—Hierarchical with decentralised decision-making for agility.

Encouraging teamwork and cross--functional collaboration to improve operations and customer experiences.

Innovation—embracing digital transformation and latest ideas to stay ahead in the market.

Respect /Trust—valuing employee, customer, and suppliers, fostering a positive work environment.

Culture's Influence.

Customer loyalty –Drives loyalty through tailored offers and services.

Operational efficiency—supports cost management and competitive pricing.

Adaptability—Enables quick responses to market changes (e.g., digital shifts).

Impact on Tesco

Market Position—Maintain strong UK retail presence.

Innovation—Drives digital growth and sustainability initiatives,

Performance—supports financial stability and customer satisfaction.

Decision-making:

Decentralised decision-making, Tesco operates a decentralised structure, empowering local teams to make decisions. (Tesco ,2022). This aligns with the company's customer needs.

Employee Engagement—Employee involvement in decision-making and development opportunities boost motivation and retention.

Customer satisfaction—customer centric approach enhances loyalty and retention driving business growth.

Examples.

Customer Initiatives. Tesco's loyalty programs and personalised offers improve Tesco's customer satisfaction and retention.

Digital Transformation—online shopping platforms, sales and mobile apps enhance convenience and accessibility for costumers.

Employee Engagement—Tesco's focus on development and well-being supports staff retention and motivation.

Sustainability—Reduce plastic promotes sustainable sourcing per customer expectations.

Challenges.

Balancing Autonomy—Ensuring local decision align with overall strategy and company goals.

Maintaining Culture—sustaining customer -centric culture across diverse international operations.

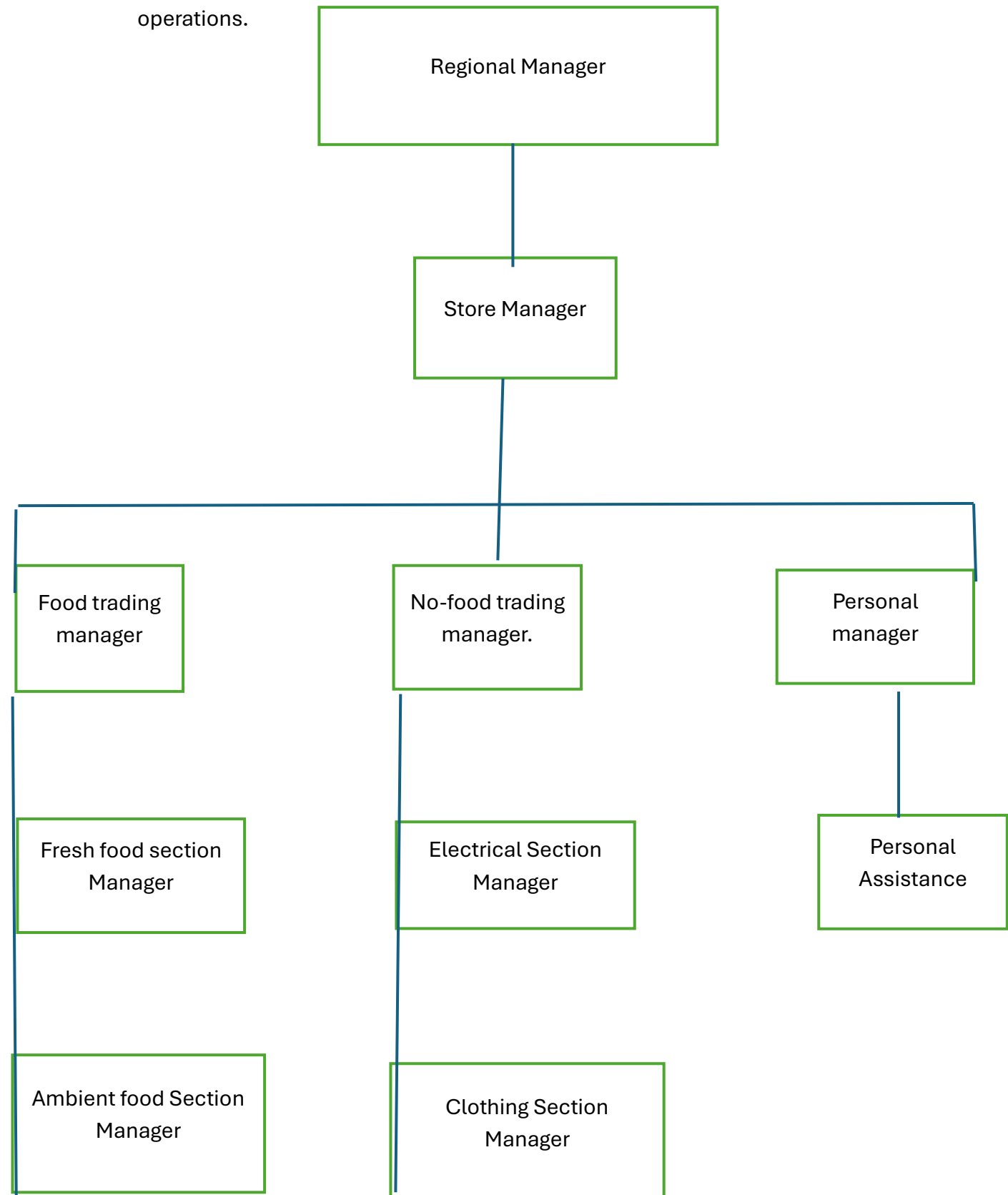


Fig. 1 Organisational Structure Chart.

Tesco Organisational Structure: Tesco is a large UK -based global supermarket chain founded in 1919 it has over 7817 shops worldwide and more than 517,000 employees. In 2015.

Structure

Tesco uses a hierarchical, decentralized and product based organizational structure, characterized by a tall management system with clear levels from the board to in-store staff, it features a Board of Directors. An Executive Committee for the day-to-day operations, and functional divisions, tailored to manage large retail operations across diverse locations and product categories (Study Smarter UK+3)

Regional & Store Manager - A tiered structure within stores (Store Manager, Department Manager, Team Leader) supporting different formats like Tesco and super store.

Decentralised-Decision-making. While the overall structure is hierarchical, the company allows for local store flexibility, empowers local teams to respond quickly to customer needs, enhancing customer satisfaction and competitiveness.

Implications.

Competitive Advantage:

Strong culture supports Tesco's market position and adaptability.

Employee Retention:

Positive culture reduces turnover and retains talent.

Customer loyalty:

Customer focus drives loyalty and repeat business.

Tesco's organisational culture drives its success in the retail market. By prioritising customers and empowering employees, Tesco remains competitive and responsive to changing market's needs.

Faster responses:

Local Teams respond quickly to customer needs and market changes.

Customer-Centric Decisions:

Decision aligns with local customer preference and satisfaction.

Increased Accountability:

Local teams' own decision and outcomes:

This approach supports Tesco's client-driven strategy and improves adaptability.

Empowered Leaderships:

Leaders are encouraged to involve teams in decisions boosting engagement and responsive.

3.Organizational Culture Shape Structure and Decision Making.

Tesco's organisational culture significantly influences shaping the company structure, strategy, and decision-making processes, driving its success by prioritising customer satisfaction, in the retail market. (Tesco, 2022). The company's emphasis on customer - centricity and empowerment influences its decentralised structure, allowing local to adapt to market needs and make decisions quickly (Mullins & Christy, 2016).

Decentralized Decision Making:

Balances centralised control with local agility. I

Functional Departments:

Marketing, supply chain, finance, and HR collaborate to deliver customer value.

Decision-Making

Customer centric:

Decisions often driven by customer needs and feedback.

Data-Driven:

Uses data analytics for product ranges, pricing, and promotions.

Collaborative:

Cross-functional teams drive initiatives like digital transformation and sustainability.

Impact on Strategy

Agility—Decentralised decisions enable quick responses to market changes.

Operational Efficiency—Structured operations drive decisions drive cost efficiency.

Decentralized decision-making improves adaptability.

Customer loyalty—Focus on customers builds loyalty through personalised services.

Example:

Digital growth—invest on online platforms per customer demand.

Sustainability Initiatives—Adapt to consumer and regulatory pressures on plastic and sourcing.

Local Autonomy:

Stores managers make decisions tailored to local markets, adapting to regional preferences.

Tesco's culture shapes a structure and decision-making approach that balances agility, efficiency, and customer focus in a competitive retail landscape.

Advantages of Functional Structure in Tesco.

Specialisation:

Departments like marketing and logistics develop expertise.

Efficiency:

Streamlined processes reduce duplication of effort.

Clear Accountability:

Functional heads oversee teams and outcomes.

Improved Coordination:

Functions work together to achieve goals.

Disadvantage of Functional Structure in Tesco

Silos:

Departments focus on own goals, potentially neglecting broader organisational objectives,

Communication Barriers:

Functional teams might not share info across department efficiency.

Slow Decision-Making:

Multiple layers of approval can delay decisions.

Digital Transformation:

Customer -centric culture drove Tesco's online shopping expansion, enhancing convenience.

Local Adaptation:

Regional Teams tailor product ranges and promotions to local tastes, improving sales.

Employee Involvement:

Staff feedback influences decisions, boosting engagement and innovation.

Tesco's organisational culture shapes its decision-making processes.

Customer centric -Approach.

Decisions are guided by customer needs, reflecting the company's customer- focused culture (Tesco,2022).

Collaborative Decision-Making:

Tesco involves employees and stakeholders in decision making, promoting a sense of ownership and accountability.

Benefits

Adaptability. Tesco responds quickly to market changes and customer need.

Employee Engagement. Involvement motivates staff and drives performance.

Customer satisfactions, Client- driven decision enhance loyalty / retention.

Challenges.

Balancing Autonomy:

ensuring local decisions align with overall strategy, requires care full oversight and communication.

Maintaining Culture.

sustaining customer -centric culture across diverse international operations.

Communication:

functional teams mush share info effectively to avoid silos support collaboration.

Scalability:

Tesco grows, maintaining its customer-centric culture and agile structure becomes increasingly complex.

Tesco's culture -driven structure supports its competitive retail position. Adapting to changing market while maintaining customer focus is key to continued success. The company's ability to balance local autonomy with central oversight will be crucial in navigating future challenges.

Flat Hierarchy:

Tesco culture promotes open communication, reducing bureaucracy and enabling swift decision -making.

Implications

Competitive Advantage: Culture driven structure and decisions, Tesco 's support Tesco's market position.

Innovation. Encourages experimentation and digital transformation.

Customer Loyalty, Customer focus drives loyalty and repeat business.

Tesco Organisational culture shapes its structure and decision- making, driving adaptability, innovation, and customer satisfaction.

This cultural alignment supports Tesco's competitive position in the retail market.

3.Schein's Relevant Frameworks, Models, and Theories for Tesco Organisation

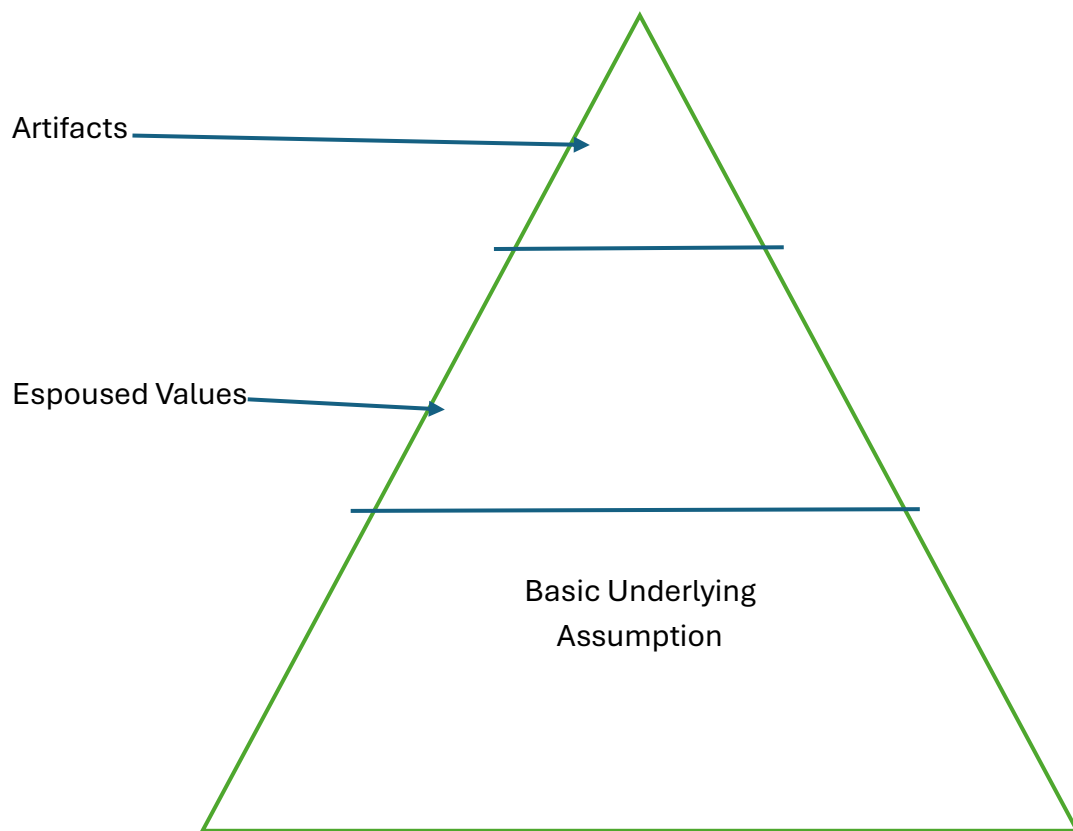


Fig. 2 Schein's Theory Charts,

Tesco's can leverage several frameworks to enhance its strategy and operations in the competitive retail landscape.

Edgar Schein's frameworks can help Understand Tesco's organisational culture.

Schein's and the Three Level of Organisation Culture.

. Artefacts-Organisational attributes that can be seen felt and heard by the uninitiated observer, including the facilities, offices, décor, furnishing, dress, and how people visibly interact with others and with organisational outsiders.

. Espoused values-the professed culture of an organisation's members. Company slogans, mission statements and other operational creeds are useful example.

. Basic underlying assumptions—these are unseen and not consciously identified in everyday interactions between organisational members, even people with the experience to understand this deepest level of organisational culture can become accustomed to its attributes, reinforcing the invisibility of its existence.

. Impact on Tesco; Shapes marketing strategies, focusing on customer desires and promotions.

. Tesco loyalty program and seasonal promotions Tesco loyalty programs and seasonal promotions cater to this cultural trait (TescoPLC,2020)

Kotter's 8-step change Model:

Guidance organisational change (e.g., digital transformation, sustainability initiatives)
Supports Tesco's adaptability in a dynamic retail environment,

Competitive Edge Porters 5 Forces help Tesco navigate retail challenges.

Customer Focus—McLeans Value Disciplines support Tesco's customer -centric strategies.

Cultural Dynamics. -

Helps understand how Tesco's culture adapts to external changes (e.g., digital transformation).

Highlights how culture influences employee behaviour and customer interactions.

Applying Schein's Frameworks to Tesco helps understand Tesco's specific challenges (e.g., digital innovation, sustainability)?

4.Organisational Culture and Adaptation to External Environment of Tesco

Tesco organisational culture plays a crucial role customer focus, competitiveness and structured operations, enabling it to adaptation to the external environment, changes in the retail market.

Organisational culture:

Customer-Centric –Drives personalised services and loyalty (Tesco Clubcard)

Competitive:

Emphasis on efficiency and value to compete with supermarkets and online retailers.

Structured:

Hierarchical with decentralised decision-making for agility.

Adaptation to External Environment.

1. Digital transformation:

Invest on online platforms and delivery services per customer demand.

Enhances app and website for convenience.

2. Sustainability Initiatives:

Reduces plastic, promotes sustainable sourcing per customer and regulatory pressures.

Adheres to UK regulations on sustainability.

3. Market Responsiveness.

Adapts to trends like healthy eating and convenience shopping.

Expands product range per customer preferences.

Tesco changing consumer behaviour, such as increased online shopping.

External Factors Influencing Tesco.

Tesco operations are shaped by various external factors.

Economic Factors

UK economic conditions (e.g., inflation, consumer spending).

Brexit impacts on supply chains and pricing

Regular Changes:

Adheres to UK regulations on food safety, employment, and sustainability

Technological Advances:

E-commerce growth invests in digital technologies payments shape Tesco's strategy, to enhance customer experience.

Automation and AI in supply chain and customer service.

Regulatory Changes.

UK regulations on food safety, employment, and sustainability.

Consumer Trends:

Shifts to online shopping, health, and sustainability drive Tesco's offerings.

Demands for convenience and personalised service.

Competitive Landscape

Competition from supermarkets (e.g., Sainsbury's, Aldi) and online retailers (e.g., Amazon).

Impact on Tesco

Tesco operations are significantly impacted by various external factors

Market Position:

Maintaining strong UK retail presence through adaptability.

Customer Loyalty:

Builds loyalty via personalised services and digital convenience.

Innovation:

Drives growth in online sales and sustainable products.

Examples:

Digital Growth—Tesco's online sales boost through website and app improvements.

Sustainability Goals—Reduces packaging and promotes eco-friendly products per customer expectations.

Increase sustainable product range.

Economic Factors.

Inflation and consumer Spending:

Persistent inflation affects consumer spending power, influencing Tesco's sales and pricing strategies.

Interest Rates,

Changes in interest rates impact Tesco's and investment capacity.

Technological Factors: Digital Transformation:

Tesco's investments in e-commerce, AI and automation enhance customer experience and operational efficiency.

Data Analytics:

Tesco uses data analytics to inform pricing strategies, product offerings, and customer engagement.

Environmental Factors:

Sustainability Initiatives:

Tesco commitment to sustainability, such as reducing plastic packaging and carbon emissions, aligns with consumer expectations.

Climate Change:

Tesco faces challenges related to climate change, influencing its supply chain and operations.

Regulatory Factors.

Brexit: Post-Brexit

Trade friction and regulatory changes impact Tesco's supply chain and cost.

Data Protection:

Tesco must comply with data protection laws, such as GDPR, to ensure customer data security.

5.Organisational Culture and Effective Functioning of Tesco.

Tesco's organisational culture significantly influences its effective functioning and success in the retail market.

Organisational culture.

Customer-Centric:

Drives personalised services and loyalty.

Competitive:

Emphasis on efficiency and value to compete with supermarkets and online retailer.

Structured:

Hierarchical with decentralised decision-making for agility

Impact on Effective Functioning.

Customer satisfaction:

Customer focus drives loyalty and repeat business.

Operational Efficiency:

Structured operations and data-driven decisions enhance cost management.

Adaptability:

Decentralised decisions enable quick responses to market changes.

Key Functions.

Supply Chain:

Efficient management supports competitive pricing and availability.

Marketing:

Personalised offers via Tesco Clubcard boost customer engagement.

Digital Transformation: Drives online sales and customer convenience.

Examples.

Customer Loyalty:

Tesco Clubcard personalises offers and boosts loyalty.

Digital Growth:

Online sales thrive through website and app improvements.

Efficiency:

Streamlined supply chain supports competitive pricing.

Tesco Culture drives effective functioning by balancing customer focus, efficiency, and adaptability in a competitive retail landscape.

6.Evaluation of Impact of Organisational Culture on Tesco's

Performance.

Tesco's organisational culture has a significant impact on its organisational performance, in the retail sector.

(Positive Impacts.)

Customer Loyalty:

Customer-centric approach drives loyalty via Tesco Clubcard.

Operational Efficiency:

Structured operations enhance cost management.

Adaptability:

Decentralised decisions enable quick responses to market change.

Challenges.

Competitive Pressure:

Balancing customer focus with cost efficiency in a competitive market.

Digital Transformation:

Adapting culture to drive digital growth and innovations.

Performance Indicators.

Customer Satisfaction:

High loyalty and satisfaction scores via personalised services.

Financial Performance:

Strong UK market position and online sales growth.

Employee Engagement:

Engaged workforce drives customer service and efficiency.

Evaluation.

Tesco culture drives performance by balancing customer-focused, efficiency and adaptability. Challenges include maintaining competitiveness and driving digital innovation.

Implication for Tesco

Competitive Advantage:

Strong culture supports Tesco's market position and adaptability.

Employee Retention:

Positive culture reduces turnover and retains talent.

Customer Loyalty:

Customer focus drives loyalty and repeat business.

Local adaptation:

Tailors' strategies to cultural contexts, enhancing competitiveness. Tesco's regional websites adapt to local languages and preferences (Tesco PLC, 2020).

Global Integration.

Balance local needs with global standards and values. Tesco's maintenance core values while adapting to local norms.

Employee Engagement:

Aligns HR practices with cultural expectations, boosting satisfaction. Tesco diverse workforce benefits from culturally sensitive policies.

Tesco's awareness of cultural dimensions supports effective management and market adaptation. Understanding these influences enhances organisational performance and customer satisfaction

Prevailing Culture:

Tesco prevailing culture is a blend of pragmatic customer- focused, and people -centric elements to local markets.

Understanding team dynamics and culture influences.

Improved communication and leadership approaches

Align organisational values with practices.

Applying these theories can help analyse Tesco's culture, Leadership, and performance.

Adapting to External Influences

Tesco leverages its culture to adapt to external changes (e.g., consumer trends, competition) by.

Emphasizing innovation and customer responsiveness (Burt & Sparks, 2003).

Adopting local markets while maintaining core values.

Consumer trends:

Tesco respond to shift in consumer preferences (e.g., healthier eating sustainability).by adjusting product offering store layouts.

Technological Advancement Tesco invest in digital transformation (e.g., online shopping, AI- driven personalisation).to enhance customer experience.

Competitive landscape:

Tesco monitor (e.g., Aldi, Lidl) and adjust pricing promotion and product ranges accordingly.

Regulatory Environment.

Tesco complies with Uk regulation (e.g., food safety, employment laws) and adapts to changes in legislation

Tesco cultured innovation and customer responsiveness allows in to navigate external challenges and capitalized.

Resistant to change Legacy processes might hinder repaid innovation.

Innovation encourages experimentation and digital transformation.

Employee engagement inclusive culture boots motivation and retention.

Overall Tesco culture is a key enabler, driving customer satisfaction and operational Efficiency.

Performance and Recommendation.

Impact Tesco's culture drives customer loyalty and operational efficiency.

Decision-making:

Localized decision-making allows responsiveness to regional needs.

Employee Engagement:

Focus on motivation and development opportunities.

Customer Satisfaction:

Enhance digital transformation Invest in AI-driven personalisation, optimize online platforms, and expand delivery options to meet changing shopper behaviours.

Foster a stronger sense of Community.

Encourages employee engagement and community involvement to reinforce Tesco's values.

Monitor and Adapt to cultural Shifts.

Regularly assess cultural trends and adapt Tesco's culture to stay competitive.

Sustainability Initiative:

Expand eco friendly products and enhance supply chain transparency.

Employee Engagement.

Develop training programs focusing on digital skills and customer service to boost motivation retention.

Customer experience.

Leverage data analytic for personalized offers and improved omnichannel integration.

Evidence Recommendations for Improvement.

1.Enhance employee empowerment.

Increase autonomy for frontline staff to improve customer service (Gillup,2020).

2.Sustainability Focused.

Strengthen commitment to attract eco-conscious customers (Unilever, 2021).

3. Digital transformation:

Accelerate digital initiatives to meet changing shopper behaviours (Forrester, 2022).

Conclusion

Tesco strong organisation culture, emphasizing customer focused and activity has been pivotal in its success. By leveraging its decentralized structure and adapting to external influences, Tesco can continue to thrive in a competitive retail landscape.

Implementing recommendations on digital transformation and sustainability will further enhance its performance and stakeholders' satisfaction.

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