

Assessment 1
The Introduction in Modern Workplace

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Structure and culture of Tesco

Introduction

In this assignment, we describe about the management and organizational behavior which are useful to know the accurate view of the organization. If the people who work in one organization has not knowledge about the structure, culture, theories and models of organizational design and performance, so they cannot achieve their business objectives effectively.

The concept and ideas presented in this assignment provide a basis for the critical appraisal on a structure and management of organizations. This is important to know because the culture of the workplace decides the way employees interact at their workplace. A healthy culture encourages the employees to stay motivated and loyal towards the management (Prachi Janeja,2018).

The subject we will focus on in this assignment is Tesco, which is a British multinational that deals with retail with headquarters in Walwyn Garden City, Hertfordshire, England, United Kingdom.

Tesco first time appear in 1919 when Jack Cohen started selling groceries from a stall in the East of London. Mr Cohen made a profit of £1 from sales of £4 on his first day. First brand appeared five years later in 1924 when he bought tea from a Mr T. E Stockwell. The initials and letters were combined to form Tes-co and in 1929 Mr Cohen opened a small Tesco store in Burnt Oak, North London. During the 60s supermarkets started to expand faster by providing more products in larger or smaller stores. Supermarkets change the way people shop and by the 1970s Tesco was building a national store network to cover the whole of the UK, which it continues to expand to this day, while also diversifying into other products (Tim Clark, Szu Ping Chan,2014).

	
Trade name	Tesco
Type	Public limited company
Traded as	LSE: TSCO ISEQ: TCO FTSE 100 Component
ISIN	GB0008847096 
Industry	Retailing
Predecessor	Stewarts Supermarket Limited, Hillards, William Low 
Founded	1919; 100 years ago Hackney, London, England, UK
Founder	Jack Cohen
Headquarters	Tesco House Shire Park Kestrel Way Welwyn Garden City Hertfordshire AL7 1GA England
Number of locations	6,800 shops (2019) ^[1]
Area served	United Kingdom, Ireland, India, Malaysia, Thailand, Czech Republic, Slovak Republic, Hungary, Poland
Key people	John Allan (Non-Executive Chairman) Dave Lewis (CEO) Ken Murphy (CEO-designate)
Products	Supermarket Hypermarket Superstore Convenience shop
Revenue	£63,911 million (2019) ^[2]
Operating income	£2,206 million (2019) ^[2]
Net income	£1,320 million (2019) ^[2]
Owner	Norges Bank (0.0619), Deutsche Bank (0.0528), BlackRock (0.0501), Schroders (0.05003) 
Number of employees	450,000 (2019) ^[1]
Subsidiaries	Tesco Stores Ltd. Tesco Bank Tesco Mobile Tesco Ireland Tesco Family Dining Ltd. Dunnhumby Spenhill Booker Group Jack's
Website	www.tescopl.com

Image 1. adopted from <https://en.wikipedia.org/wiki/Tesco>

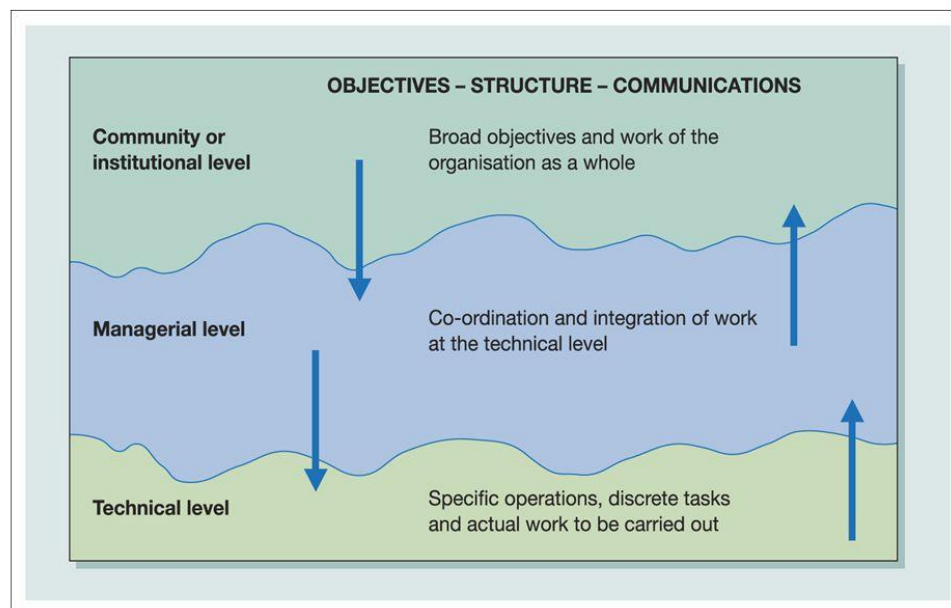
Analysing the above image updated this year we can see the ascension that Tesco has had over the years. Being in continuous development Tesco has managed to diversify into different areas such as books, clothes, electronics, furniture, toys, petrol, software, financial and internet services.

They have developed different types of shops like Tesco Extra, Tesco Superstore, Tesco Express, Tesco Metro, One Shop, Tesco petrol station and online shop, having a total of 6800 shops where a considerable number of people around 450000 employees came to work and having a net income of 1320 million pounds.

The management system is a comprehensive, simple and practical management program, comprising merchandise management, user terminal management, credit rules, cardholder management, financial management of card account management, statistical reports and other functional modules. , to achieve comprehensive automatic management of the daily operations of many enterprises.

Tesco company structure

The structure represents the model of relationships between members and the positions they occupy in the organization. The structure defines the responsibilities, roles, relationships and channels of communication between the different positions of the hierarchies (Laurie J. Mullins, 1999).



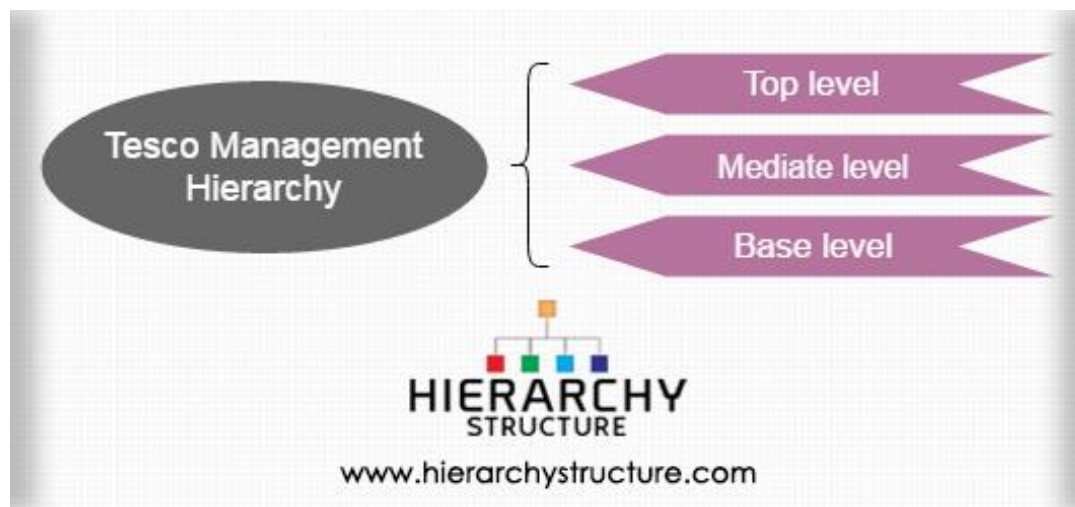
Interrelated levels of organisation

Adopted from Laurie J. Mullins

Organisations are layered, and because of this they are carried out by different people at different levels throughout the organisation structure. Like we see in the upper image organisation have three different level the technical level, the managerial level and the community level and of course we also can see the relationship between the levels.

The decisions are made in such a way as to involve all the levers of the organization, so that the decisions taken from the institutional level create objectives for the managerial level, and the decisions from the managerial level create new objectives for the technical level. Therefore, the organization works efficiently with clear objectives, good communication and good structure.

Tesco follows a tall hierarchical structure where the functions are divided in a long and strong chain of commands and decisions. This type of structure helps to defined roles for everyone creating o good environment with no chaos and confusion. It also follows a structure of functional establishment as opposed to a geographical one followed by most of the other multinational retail stores.



Source <https://www.hierarchystructure.com/>

Top level holds all the power in the organization and this can most often be represented by the CEO of the company which is the head of all employees in the administrative positions. At the same time, it makes most decisions that are of great importance to the business. Other people who can do this level are the Financial Officer, the Executive Director and Non-Executive Directors who perform supervisory functions.

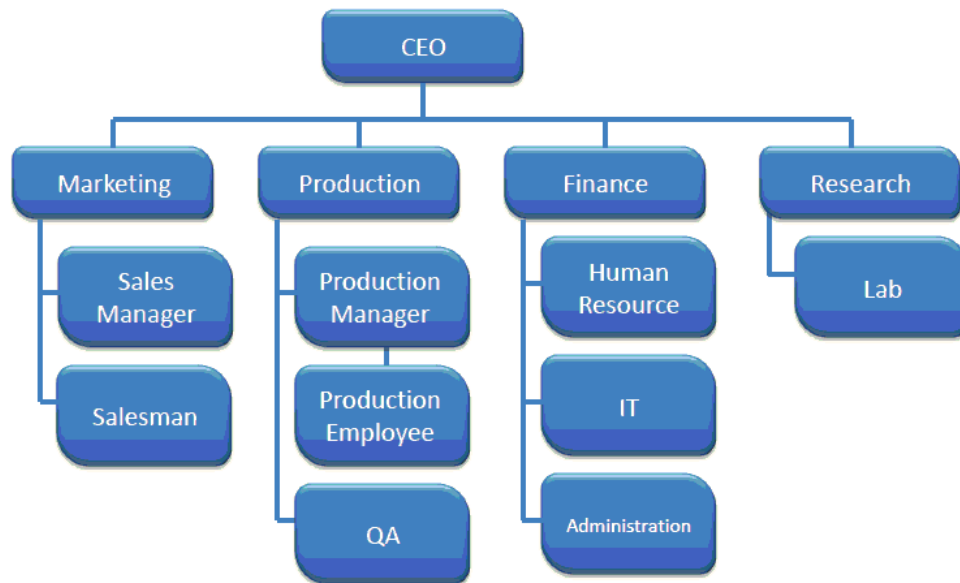


Image adopted from 9001Quality

Mediated level is represented by the relationship between ground staff and directors. They make decisions such as division of work and grouping of people, formal organizational relations, line and staff organization and many more.

Base level is made up of top managers like Regional Manager (coach) who makes major decisions regarding the stores he has in subordinates in his designated area. He, along with the department directors, makes decisions for good management but also decisions regarding the employees he has.

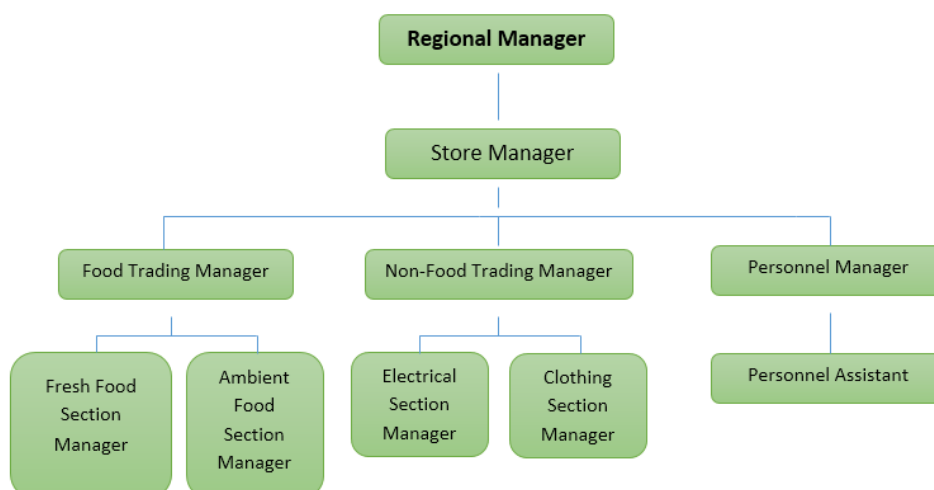


Image adopted from Research Methodology

Tesco has a tall structure since it's a large organization with many layers within the hierarchy. A benefit of having an organizational structure is that all the employees know their role, who they are responsible for and who they are responsible to. At the same time, it can lead to ineffective communication as it takes a long time for messages to travel and they can change or get misunderstood.

Culture of Tesco company

Tesco wants to market food and non-food products, alcoholic and non-alcoholic beverages at the highest standards and most affordable prices, both for members of the local community and for consumers at the communal level.

The mission of the business is to market profitable products on the market in order to permanently improve the perception that clients, employees will accumulate about the quality of their activity. For this purpose, the shop must achieve superior results compared to the main competitors. We will develop mainly through the introduction of new products, services based on contracts, the success depends to a large extent on how they will satisfy the clients' requirements.

Tesco's vision is to be the main food trader, offering customers the best solution for healthy eating, devoid of the counterfeit products on the market. It offers special attention to the consumers by categories, a climate as favorable to the consumers as to the employees, the practice of relatively low prices and added commercial low. They want to offer to customers a modern, pleasant commercial appearance, new merchandise all the time to the taste of the public and we will offer them innovative promotion systems.

The theory of cultural dimensions of Hofstede, developed by Geert Hofstede, is a way to understand the differences in culture between countries and to show how business is conducted in different cultures. In other words, this strategy is used to distinguish between different national cultures, the dimensions of the culture and their impact on a business environment. The theory of cultural dimensions of Hofstede was created in 1980 by the Dutch management researcher Geert Hofstede. The purpose of the study was to determine the dimensions in which culture differs (Corporate Finance Institute, 2015 to 2019).

Over the years, his study led to six cultural dimensions on which countries can be ranked: *Power Distance*, *Individualism/Collectivism*, *Masculinity/Femininity*, *Uncertainty Avoidance*, *Long-term/Short-term Orientation* and *Restraint/Indulgence*. Each dimension will be elaborated on below:

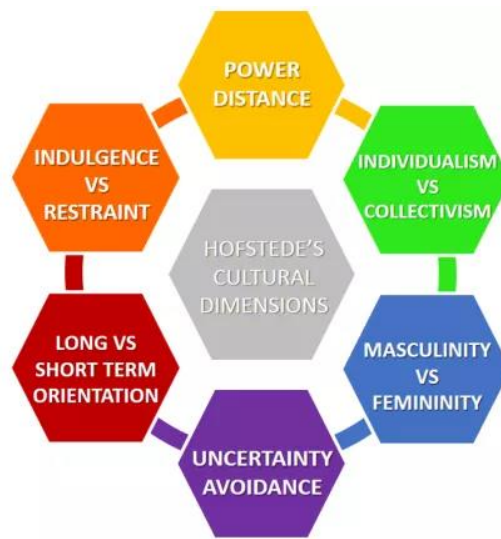


Image adopted from business-to-you .com

Power distance

In case of Power distance dimension, there is no individualism in the society. Like we all know or see in different shops the employees are in general from different zone in the world. In Tesco the employees of Indian culture express their attitude within the organization and also towards the inequalities among them. The UK people do not involve themselves in among all types of classes where Indian people involve them in everything (Akanni and Ahammad, 2015).

Individualism vs Collectivism

The first dimension of our cultural value is individualism versus collectivism. Individualism focuses its attention on individual goals and individual rights. Collectivism emphasizes the group's objectives, which is the most beneficial thing for the collective group and personal relationships.

They always look after their employees and their rights where trust and respect is essential to

Tesco's success. They try to provide opportunities for all colleagues by providing support in their development both professionally and personally.

Masculinity vs Femininity

UK is trying to hire people of different sexes and of course places great importance on the competition between them. Tesco for example has employees of different nationalities but it can be observed that there is a competition between the sexes because they employ more female persons in shops, while men are employed in the jobs in warehouses such as picking up, gluing and shipping the goods, delivery and others.

So it can be seen that most of employees are women because they are fast and have a spirit of observing the details in stores.

Uncertainty Avoidance

People like those in India always try to avoid the uncertainty that comes before them because they have the ability to easily overcome tension, while the people in the UK and a large part of the people who come from Europe prefer to take a short break when they encounter obstacles in the way of working as efficiently as possible.

Long vs Short term orientation

Tesco and the people who deal with the development of this chain of stores want and prefer to invest in the long term in people because developing them can bring great benefits in the future.

Indulgence vs restraint

People in charge of this multinational, Tesco, believe in humanity and they try to involve themselves and their employees in different social responsibilities.

People and organization performance

Motivation is concerned with the desire to do something or achieve a particular result.

A simplistic overview of motivation theory says that it needs well-developed behavior to achieve satisfaction and to avoid dissatisfaction. Consider the Maslow Hierarchy of needs: physiological, safety, love or belonging, self-esteem and self-actualization. These needs help to move from external motivation to internal motivation. They reflect and identify, the evolution that many companies try to make from their cultures, for example, developing their jobs and benefits and providing for the families of their employees, the needs determined by fear, challenges, feelings of contribution and achievements(2016, Shawn M. Galloway).



Maslow's Hierarchy of Needs

Image adopted from mrshearingbusinessstudies.weebly.com

Motivated employees result in: greater productivity, better quality products or service, lower staff turnover, reduced absenteeism.

Maslow, describes the motivation in terms of a theory of a hierarchy of needs. By this Hierarchy Maslow distinguishes a series of needs that vary from the lower order to the higher ones, namely the physiological needs; security and safety needs; belonging, love and social needs; needs to update the status and self. These needs are described as follows:

- *Physiological needs* are the basis of hierarchy. It consists of basic survival needs, such as the need for food, water and shelter. That's why Tesco offers employment contracts to provide its employees with the security that what they need is assured. For mental comfort, these needs are a must have in your daily routine.
- *Security and safety needs* represent stability (including financial security) and freedom from physical threats and dangers. For this reason Tesco offers this guarantee by offering a fixed weekly or even monthly salary, as well as pension and sickness schemes. Investing in security and safety the company has satisfied employees and satisfied customers.

Moreover, according to Maslow (1954), an employee needs physical and emotional security in the form of clothing and shelter. This could include protection in the form of insurance for unemployment, pensions and pensions.

- *Belonging, love and social needs* include affective relationships and the need to belong to a group or family. The Tesco family is a large family and the staff in this family feels good emotional security. The company offers support to all employees and is involved in solving certain problems in their life.
- *Self-esteem needs* refer to the need to feel valued and respected by one and significant others. Because of this, Maslow identifies it as the need for accomplishment and achievement.
- *Self-actualization needs* refer to the need to utilize one's potential to the maximum, working with and for other people and developing one's capacity. Self-actualization defines to the fulfilled feeling or to the feeling that we live to our potential. A unique factor of the last need in the hierarchy, namely that of self-actualization, is that it looks different for everyone. For some employees of the company, self-actualization might involve helping others, and for other employees, it might involve achievements in an artistic or creative field.

Performance

Performance management represents the actions that employers use to maintain and improve the performance of the workforce, so that the organization achieves its objectives and satisfies the clients' requirements.

Achieving performance involves:

- employee performance is measurable;
- organizing meetings between a manager and each staff member to discuss their performance;
- a record of the performance is kept.

Good performance management is essential as it helps to achieve the best results for organizations and the workforce. If the performance is not well managed then the staff will not be able to have the best performance.

Good performance management arrangements in the Tesco organization involve:

- motivating staff;
- checking whether staff contribute to organizational goals;
- develop staff;
- fast delivery of tasks;
- realizes projects to the required standards;
- improves poor performance.

Staff development should be a strong point for employers and their managers. Managers should hold regular meetings with their team members and discuss what opportunities may be available and listen to what development might be beneficial to the organization.

In other words, Tesco performance management should be:

1. Strategic – it is about setting new long-term goals;
2. Integrated – this should link different aspects of the business, and new teams;
3. Performance Improvement – throughout the organization, for individual, team and organizational effectiveness
4. Development – develop individuals and teams and performance will not improve
5. Managing Behaviour – encourages staff to behave in a way that allows and encourages better working relationships(2003-2019, UKEsseys).

Recommendations and conclusions

Personnel management in the organization is an important function not only for Tesco, but also for all companies that manage human power or deal with people.

The human resources department is a key point for a company for its success, because they think that if they invest in the development of the staff and the performance of the company will increase years to overcome obstacles and will be in continuous development, which has led to the opening of many shops but also to the satisfaction of customers and their preferences. This case study is written for companies that need knowledge about the development of culture and structure within the company but also how a company can work with the people you want to invest in. Tesco is a multinational company that has spread to 25 countries with about 440,000 employees. This has found the key to success and understands that if you want to stay on the market for as many years you must listen carefully, frequently, to what the customers want.

The employees are an asset to a company, and the management is very important, and for this reason the dissatisfaction of the employees will cause the Tesco company to decline, which is undesirable for any company. Human Resource management is not just a management function like finance management, production management, it is special because it always deals with real people and it is difficult to manage and the understanding of being there within the company and the employees to achieve success in the future .

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