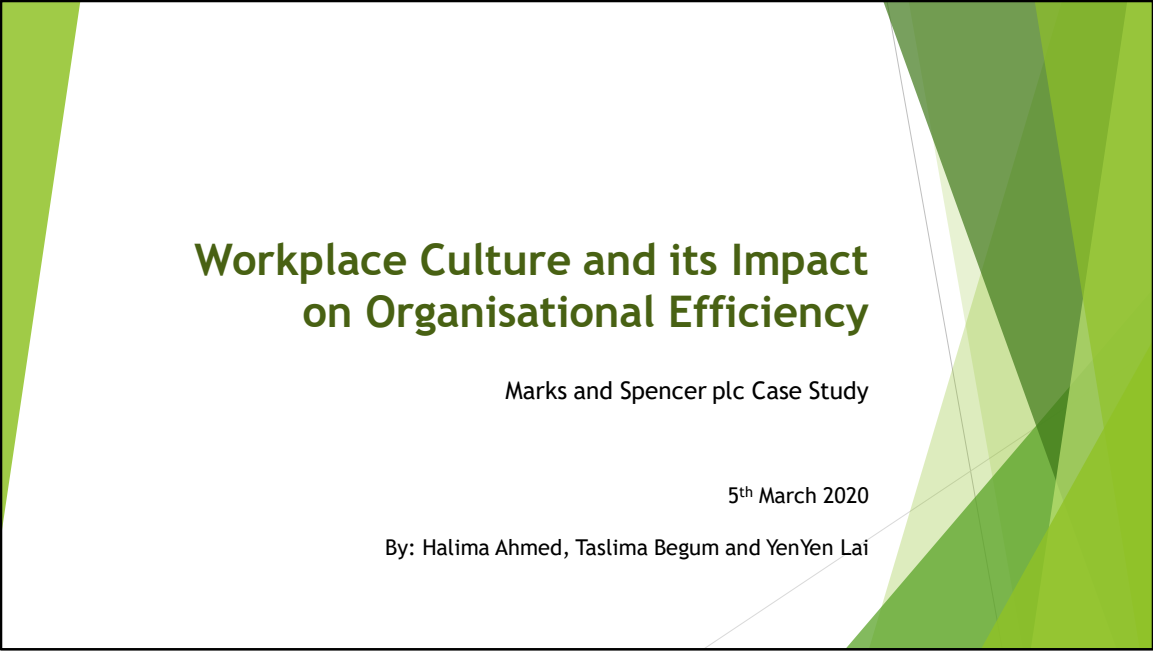


The background of the slide features abstract, overlapping green geometric shapes, primarily triangles and polygons, in various shades of green, creating a modern and dynamic visual effect.

Workplace Culture and its Impact on Organisational Efficiency

Marks and Spencer plc Case Study

5th March 2020

By: Halima Ahmed, Taslima Begum and YenYen Lai

Charles Handy's four types of Organisational Cultures

Organisational structure interrelated with organisational culture,
strong links within the culture to the core structure of an organisation.

Definition:

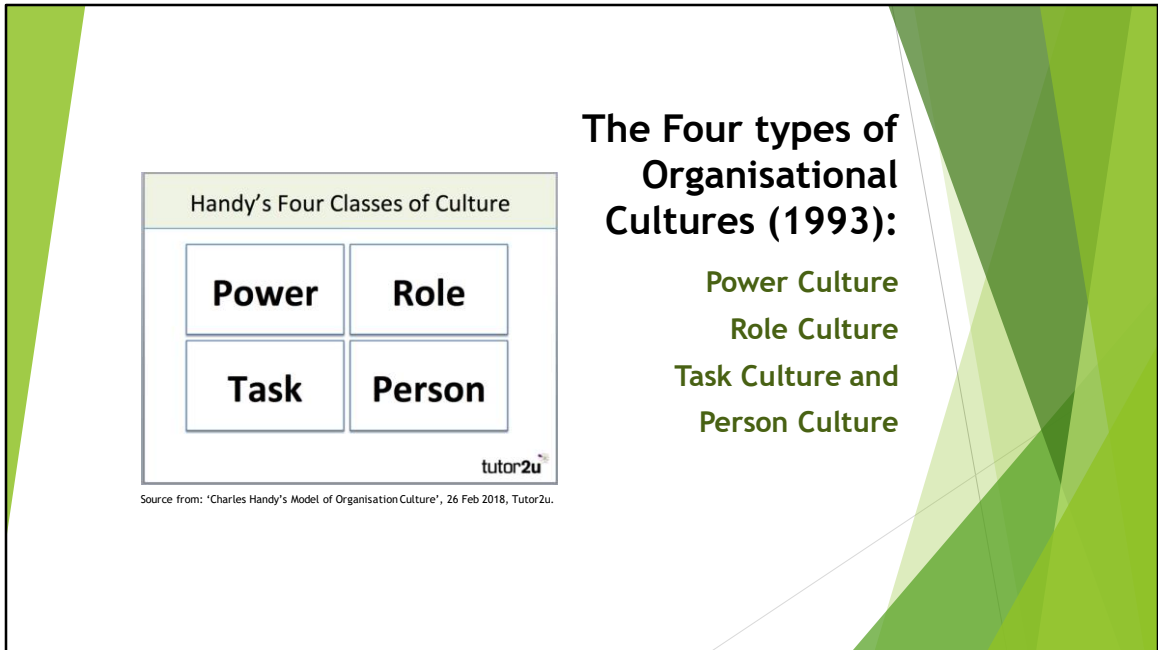
"A system of shared values (what is important) and beliefs (how things work) that interact with a company's people, organisation structures, and control systems to produce behavioural norms (the way we do things around here)"
(Uttal, 1983, p.66).

Continuing on from Taslima, the next model type I am going to talk about is Charles Handy's Four types of Organisational Culture. Handy is one of the most famous Management Thinkers in the UK.

Handy Four Types of Organisational Culture

Handy has associated organisational structure with organisational culture. It's very difficult to separate the strong links between the shared feeling, ideas, values, beliefs and commitment created in an organisation to the core structure of that organisation.

Handy's describes culture as: "A system of shared values (what is important) and beliefs (how things work) that interact with a company's people, organisation structures, and control systems to produce behavioural norms (the way we do things around here)" (Uttal, 1983, p.66).



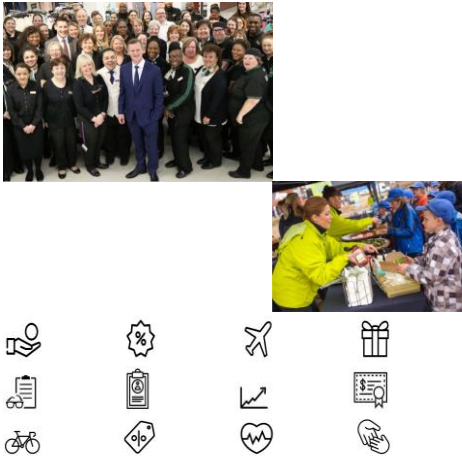
Handy classified different organisational cultures, following work by Roger Harrison (1972), into four basic cultures known as Handy's Four Type of Organisational Culture: Power Culture, Role Culture, Task Culture and Person Culture (Handy, 1993: 183).

The Power Culture means central power controlled by a key person or figure. Decision making power is retained by a key person or family member. It is quicker to respond to any threats to the organization but lacks procedures and flexibility. This culture can be seen in small family businesses.

The Role Culture is all about position. The function and responsibility that come with the job position, standardised processes, policies and procedures. There is no room for personalities, and the decision-making process is slow, causing frustration among employees. Large corporations like banks and public services use Role Culture.

The Task Culture emphasises completing tasks, by gathering different resources and people to work as a team for a project with a specific goal. This expertise is difficult to manage, and resources tend to flow to those that have the best influencing skills. This culture is most likely to appear in medium and large professional services, like legal and financial firms.

The Person Culture is about individuals using an organisation merely as a base, their own interests and skills being more important. Therefore, the organisation structure and culture is built to serve and assist completing personal objectives. This type appears in small specialist companies such as accounting, IT, and GP practices (Open University, 2020).



Marks and Spencer Organisational Cultures

- Leadership.
- Caring for its people.
- Diversity.
- Communication.
- Awards and Recognitions.
- Learning and Development.
- Smarter Working Meets Your Lifestyle.

2016 Transformation Programme

Source from: Marks and Spencer plc.com

As we all known Marks and Spencer suffered bad sale performance for the last ten years. When Steve Rowe took over as CEO in 2016, he embarked on a transforming programme including reviving the organisational culture. This gave me an opportunity to analyse if it worked and the factors affecting efficiency.

From Marks and Spencer's 2019 Annual Report and Financial Statement, and the website the organisational culture includes:

- > Leadership.
- > Caring for its people.
- > Diversity.
- > Communication.
- > Awards and recognitions.
- > Learning and Development.
- > Smarter working meets your lifestyle (Marks and Spencer plc, 2019).

How could this revived Organisational Culture improve Marks and Spencer's workplace efficiency?

Extraordinary Colleagues

M&S IS A LEADING RETAILER *with*
**A STRONG AND
UNIQUE HERITAGE
OF BRAND VALUES,
EXTRAORDINARY
COLLEAGUES AND
CUSTOMERS WHO WANT
TO SEE IT SUCCEED AGAIN.**

Source from: Marks and Spencer plc. 2019 Annual Report.

Steve Rowe acknowledged it was the Extraordinary Colleagues that made Marks and Spencer so special (Marks and Spencer, 2019:15). To enable a successful cultural transformation, he started from the Leadership.

This allowed store managers to take ownership and responsibility for how their stores performed. Giving this power to the store manager is an application of the Power Culture, where the store manager is the central figure making decisions, controlling the resources, interacting with store assistants for feedback and acting upon it, although still using common systems, brand philosophy and infrastructure (Marks and Spencer, 2019:17). In line with M&S's digital-first strategy, integration with Microsoft Teams has provided an instant communication channel with employees and suppliers, and enabled data collection for forecasting (MENA Report, 2020). This quick response to events is clearly an advantage from the Power Culture, and definitely one of internal factors affecting effectiveness in M&S.

Caring for its People sees Marks and Spencer finally prioritise its workforce, looking after them by providing lots of employee benefits, but most importantly committing to train, support and develop them with specialist skills (Marks and Spencer, 2019:16). An extensive training and coaching programme to equip and prepare

employee for digital-first and be more efficient in work. Employees feel a sense of belonging, this new organisational structure is built according to their needs, as in the Person Culture. Employees go to work with better morale, proactively suggest creative ideas and efficient ways to improve customer experience, increase customer satisfaction and ultimately returns customer.

On Glassdoor.com company reviews, the organisation received 3.5 stars on Culture and Values, and 68% will recommend to a friend. The most comments on it are friendly staff, very helpful, great teamwork, and supportive management (Glassdoor, 2020).

Steve Rowe understood that when the organisation started treating its people right, turning them into a competitive advantage, the organisation would be successful. In the 2019 Annual Report, profit before tax increased 26.6 per cent (Marks and Spencer, 2019:1).

Conclusion

To summarize, a mixture of Leadership (Power Culture) and Caring for its people (Person Culture) will revive Marks and Spencer future.

A successful organisational culture change will help put Marks and Spencer to be Market Leader in the UK and globally.

“A clear, sustained culture is stronger than any as a factor in continued success.”
(Collins and Porras, 2005)

To summarize, a mixture of Leadership (Power Culture) and caring for its people (Person Culture) will revive Marks and Spencer future, because no organisation can survive with one organisational culture in this competitive fast moving business environment.

A successful organisational culture change will help Marks and Spencer return to be Market Leader in the UK and globally.

“A clear, sustained culture is stronger than any as a factor in continued success.”
(Collins and Porras, 2005).

References:

YenYen:

Alvesson, M. (2011) *Understanding organizational culture*. 2nd edn. London: SAGE.

Anon, (2020) United States : Marks & Spencer Transforms Workforce Scheduling for 80,000 Colleagues with JDA and Microsoft Teams. *MENA Report*, pp.MENA Report. Available at: <https://search.proquest.com/docview/2334357039?accountid=14680> (Accessed: 17 February 2020).

Chandak, R. (2018) *Company Culture – Can cultures be managed?* Available at: <https://raunagchandak.wordpress.com/2018/04/27/can-cultures-be-managed/> (Accessed: 1 February 2020).

Collins, J. and Porras, J.I. (2005) *Built To Last: Successful Habits of Visionary Companies*. 10th edn. London: Random House Business Book.

Donnelly, T. (2003) 'Understanding organisational culture', *Human Resource Management Journal*, 13(3), pp92-93. Available at: <https://search.proquest.com/docview/199394413?accountid=14680> (Accessed: 15 February 2020).

Glassdoor.com (2020) *Marks & Spencer*, Company Reviews. Available at: https://www.glassdoor.co.uk/Overview/Working-at-Marks-and-Spencer-El_IE3278.11,28.htm (Accessed: 15 February 2020).

Handy, C. (1993) *Understanding Organisations*. 4th edn. London: Penguin.

Marks and Spencer plc (2019) *Annual Report & Financial Statement 2019*. Available at: <https://corporate.marksandspencer.com/documents/msar-2019/full-annual-report.pdf> (Accessed: 3 February 2020).

Marks and Spencer plc (2020) *Why work here*. Available at: <https://corporate.marksandspencer.com/documents/msar-2019/full-annual-report.pdf> (Accessed: 3 February 2020).

Martin, K. (2019) *Charles Handy Model of Organisational Culture* [video]. Available at: https://www.youtube.com/watch?v=0QzT_GK42Vs (Accessed: 18 February 2020).

Milhauser, K. (2014) *Organisational Culture* [video]. Available at: <https://www.youtube.com/watch?v=CcW6rnOuMDc> (Accessed: 18 February 2020).

Open University (2020) Handy's four types of organizational cultures. Available at: <https://www.open.edu/openlearn/money-business/leadership-management/management-perspective-and-practice/content-section-3.5.2> (Accessed: 8 February 2020).

References:

- Riley, J. (2015) *Organisational Culture (Overview)* [video]. Available at: https://www.youtube.com/watch?v=Mfl_0ko4T3o&t=7s (Accessed: 18 February 2020).
- United states : Marks & spencer transforms workforce scheduling for 80,000 colleagues with JDA and Microsoft Teams. (2020). *MENA Report*, Available at: <https://search.proquest.com/docview/2334357039?accountid=14680> (Accessed: 18 February 2020).
- Uttal, B. (1983) 'The Corporate Culture Cultures', *Fortune*, 17(October), pp. 66-72.
- Whitlock, J. (2018) 'Employees help craft, refine and re-energize company culture', *San Diego Business Journal*, 39(40), pp26. Available at: <https://search.proquest.com/docview/2126793185?accountid=14680> (Accessed: 12 February 2020).