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Workplace Culture and its impact on Organisational Efficiency

Sainsbury's

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INTRODUCTION

Organisational culture is the set of values, cultures, beliefs, policies and etc. which is followed by an organisation. The organisational culture of any organisation should be such that it gets integrate with the external environment needs, employees' demands and also the purpose of an organisation. A good organisational culture helps the organisation in attracting the good and talented workforce towards the organisation and also helps in retaining of the competitive advantage in the market place.

The culture of any organisation is set after the proper analyses of both external and internal environment of the contemporary business environment. This external environment can get analysis by using the various tools like PESTEL, Porter's five force model and etc. Whereas (Alkhoraif, McLaughlin and Rashid, 2019) the internal environment of an organisation can get analysed through the use of SWOT analysis model, VRIO model, Porter's generic model and the so on. After the analysis of this environment only the strategies are formed by the organisation. For reference purpose this report has taken an example of a company, Sainsbury's. Sainsbury's company is originated form United Kingdom country and it serves the areas of UK and Ireland. The company was founded in the year 1869 and has attained the second position in largest chain of supermarkets in UK.

This report discusses about the introduction of company which includes its history, purpose, organisational strategies, industry size and the so on. The organisational scanning tools like PESTEL, SWOT, Porter's five models, along with the other management theories and been presented in the report.

Sainsbury's-information about the company

Sainsbury's company original name is J Sainsbury's PLC. It is considered at the second position in the terms of having largest supermarket chains in the market of United Kingdom. The company has the total share of 16% in the market of retailing which considered as a huge success. Sainsbury's was originated in the year 1869 by John James Sainsbury's with a little shop in the a lane of London country. The company deals in the retailing market. A total number of 1428 locations the company has successfully managed to open itself. According to the records Sainsbury's was at number one position in supermarkets chain in the year 1922 but later the Tesco and ASDA overtook the place and then the Sainsbury's got at number third

position in Retailing industry with the first and second position of Tesco and ASDA respectively in the year 2003 (Kanapathy and et al., 2017). Later for a while the company was in the third position in the retailing industry.

During that time the company acquired many Safeway shops and one Morrison outlet . They did this because they wanted to expand their reach in the market. By the end of March 2004 their CEO Davis was promoted to Chairman and Justin King succeeded him for the position of CEO in the company. That marked change in the company cause Justin helped the company grow faster. Justin King also formed a three year recovery plan whose main objective was to make Sainsbury's great again. For this they expanded their business through hiring new and effective staff members and by acquiring various shops and other outlets.

Sainsbury's also increased the quality of their products and services so that they can increase their market share. During that period Sainsbury's also started various customer loyalty program so as to retain their customers. Sainsbury's announced investments in various companies so that they can keep up with the market pace (Khaksar and et al., 2020). They also had a contract with IBM so that they could upgrade all their technologies and use latest technologies at that time. As the result of the three years program the company posted a increase in their sales which solved companies various problems like the problems related to business distribution system etc. During the time of their development company also acquired some shops in the areas in which their market share is very low. Sainsbury's also confirmed a multimillion pound contract with London organising committee of the Olympic and Paralympic games to be the main sponsor of the 2012 Paralympic games. This gave Sainsbury's boom in their development as they were dealing in high profile events such as torch relay. With the contract they were also given exclusive rights of selling the Paralympic merchandise.

Sainsbury's was also split into three parts Sainsbury's supermarket, Sainsbury's bank, Sainsbury's Argos. Sainsbury's expanded themselves through multi channel expansion strategy (Killett and et al., 2016), which gave a boom to their business. Although they were expanding, but the cost of expansion was paid by the the employees.

To reduce the cost of operation more than 400 jobs were cut off. This created a sense of insecurity in their jobs which made all the employees unsatisfied with their job. To remove this tension Sainsbury's announced that they would increase the base pay rate. This step was taken so that they can easily retain their employees. Also Sainsbury's during the tension announced

that 3500 jobs could go across its stores. For the convenience of its customers Sainsbury's is collaborating with various businesses like Starbucks, Zizzi pizza etc. Sainsbury's have also entered the petroleum industry through Sainsbury's Fuel. Sainsbury's have widened their area of expertise through entering in different market. Sainsbury's is also giving interim dividend and special dividend to their investors. They are also having excellent execution to their strategies.

Last year they announced that their revenue was more than 2900 cores GBP. Their total retail sales were up by 7.1 percent and their groceries sales were up by 8.2 percent. Sainsbury's most important goal is to be United Kingdoms most trusted retailer. In the span of 150 years Sainsbury's has grown this much only because of their strong strategies and their implementation. Sainsbury's have expanded this much during modern times was only because they planned everything for the convenience of their customers like all their stores are having smart shop self scan. They are also having 12000+ branded products of their own which provides high quality products at a affordable rate to their customers. They also have launched various loyalty cards and rewards to retain their customers.

Management theories applied by SAINSBURY'S

Schein organisation culture model

This model is used to analyse the type of culture which is prevailing in the organisation. The model is comprises of 3 levels, Sainsbury uses this model in followings ways:

Artifact:

The artefacts can be recognised by the people who do not belong to company or insured by the outsiders. It forms the base or core line about the organisation culture. It includes the physical spaces which is in the organisation, the language used among the employees, the architecture are the structure which has been planned for organisation. As in the case with Sainsbury company the language which is used among the employees is very decent and full of etiquettes. The designing of stores is very spacious and very much clean. The technology used by the company is also very latest advance that helps them in effective working (Linnander and et al., 2020).

Values:

They are the basic assumptions or believe which are set in the organisation. If the value of organisation is good and the opinion which is carry with regard to work employees and

environment is also very favorable then the values are said to be nice. As in the case with Sainsbury Company they have a good set of values which supports the employees and also the external business environment.

Basic assumptions:

These are the assumptions which are very basic in their nature but a very important when is observed by an individual. This includes the behaviour organisation has with customers, the type of leadership which exercises by the managers or the policies and rules which favours their employee welfare are some examples which comes under this come under this head. As in the case with Sainsbury company it has been noticed that their basic assumptions are very much strong. The leadership which is exercised by managers is in such way that motivates the employee to perform the work in full efficiency, the rules and policies are set in favours of employees, proper training and development program is organized by company for employees so that they can cope up with contemporary business environment and the other more.

Apart from this Sainsbury's company changes their cultural practice due to COVID- 19 also. They made the policies in such a manner which resulted into maintaining the physical distance between the people, taking care about the employee safety, establishment of sanitizers at every floor, making the policy to wear mask as a compulsory for everybody, also the culture provides more importance to the virtual meetings.

SWOT Analysis of Sainsbury's

SWOT analysis is a framework of how internal factors may affect the working or decision of an organisation. SWOT stands for Strength, Weakness, Opportunity, Threats. Sainsbury's is an UK based organisation which is the second largest chain of supermarket in United Kingdom.

<u>Strength</u> They retain their loyal customers by providing them high quality product at an affordable rate. While promoting their brand they provide their customers attractive offers and they also give them some loyalty benefits .	<u>Weakness</u> · To sustain in this competitive market they tend to reduce their margin so as to provide their customers with better offer but that will not let them be in the market for longer period. ·With the increase in competition they are finding it difficult to retain their old customers as a lot of them are switching to new comers
<u>Opportunities</u> ·As they have sustained for long 150 years their loyalty can attract big investors and collaborators which will help them in expanding. ·Having loyal customers base they can easily enter new market with ease.	<u>Threat</u> · Through a study it is found that a lot of people love to shop online and Sainsbury's doesn't have any online portal for the convenience of the customers . ·Their competition is increasing day by day as there are lot of new entrants in then market .

Porter's five forces of Sainsbury's

Porter's five forces analysis is a business model that helps to analyse the structure of the industry and their corporate strategy. Porter identified five forces that play part in shaping of the industry in the world. Porter's five forces model includes these forces:

Threat of new entrants

The retail industry in UK have fierce and intense competition because of the higher number of players in the market and Sainsbury's have to compete with the companies like Tesco, Asda etc (Lyu and Zhang, 2017). The Sainsbury's have strengthen the barriers by focusing on infrastructure and supply chain framework and by imposing the barriers of cost

differentiation and cost leadership.

Bargaining power of the buyers

In context to Sainsbury's the consumers of UK has many options in term of buying so it gives a upper hand to the consumers of UK to negotiate in prices and get a better deal and also the retail industry of UK has all the major players in the market so it provides many options to consumers in order to get quality product within affordable prices.

Bargaining power of suppliers

The Sainsbury's of UK has options of many suppliers which gives the upper hand to the Sainsbury's to negotiate the prices and to get better deals in order to gain profit. Sainsbury's can easily negotiate the prices with the suppliers because of the easy availability of the raw materials and many options of suppliers.

Threat of Substitutes

Sainsbury's have to provide quality products at affordable prices in order to strengthen their position in the market because in retail industry consumers have online shopping, different modes of payments, availability of home delivery which makes the competition intense and intensify the threat from the substitutes like Tesco, Morrison, Asda etc.

Rivalry between existing companies

The Sainsbury's in the UK faces the strong competitive rivalry against companies like Asda, Morrison, Tesco etc. competes with each other by doing aggressive advertising, innovation and providing quality products within affordable price range which makes the competition between the companies fierce and intense (Madhiwalla and Roy, 2018).

Environmental scanning of company

PESTLE Analysis is defined as the business model to explore the opportunities and threats in the external environment for the organisation. PESTLE analysis includes external factors like Political, Economic, Sociological, Technological, Legal and Environmental.

Political Factor

Sainsbury's have expanded it's business in the environment of UK by signing international trade agreements with different organisation. Sainsbury's business is growing in the UK environment because of the political stability of the government. This sector includes

the degree of control the government can exercise over industries which are present in a country. Some of the examples include tax, corruption, exchange rates and the so on. Due to covid 19 the Sainsbury company has to implement various rules in their stores as directed by government. The government has made it mandatory for companies to organise the sanitizers in the store premises and initiate the distances among two people in the store. The company has to bring up such Technology and policies which initiate the minimum touch or contact of humans. The cost of sanitizer's cleanliness and mask as increases the expenditure for the company but it was directed by government they need to to follow the rules. Apart from this the Sainsbury Company is established in UK where the political government is very stable. It has been noticed that the places where the political government is table their policies and regulations are also stable. This works as an advantage for any company as they do not need to bring the changes frequently according to the often changes in rules and regulation said by government (Ogbeibu, Senadjki and Peng, 2018). This brings an uniformity in the working of organisation.

Economic Factor

Sainsbury's business is a stable business because of the stable economy and in the economic environment of UK Sainsbury's is expanding their business by increasing their capital and market share by providing the quality product to consumers. The rise of supermarket chains in the UK have encouraged Sainsbury's to grow their business and reach out to more and more consumers in order to gain competitor advantage. This factor includes the economic condition of any region or country. Some of the examples may include the GDP, unemployment rate, income, disposable income, exports and imports and much more. As in the case with Sainsbury company, it is establish in the region of UK and Ireland and both these countries has a good record of high GDP. The disposable income of people in these countries is also very high allowing them to purchase more and the products of high quality also. But due to covid 19 the economic conditions of UK has gone down as the unemployment rate got increase, the income of people got decrease resulting in low disposable income. The Sainsbury companies sale was also very low due to this pandemic reason which does affected their profits and revenue.

Sociological Factor

Sainsbury's business grabbed opportunity to grow in UK environment by providing the

groceries in easy and fast way because of the busy lifestyle of people and it helps the consumers in saving their time. Sainsbury's satisfy their consumers by providing them the healthy products which is currently a emerging trend in the market. It includes the tastes and preferences which are prevailing among the customer. The company always tries to cope up with the prevailing preferences of the customers by performing a market research upon them.

Technological Factor

It is explained by changes in technology, automation of technology, research and development etc. Sainsbury's have updated their machinery to achieve the competitor advantage over their competitors and because of the easy availability of resources it makes Sainsbury's production fast and simple. Due to covid people now consider to shop online and bring all the necessary items or products directly at home. This has increases the demand for online shopping. The company after the covid has made their online shopping platform very effective and easy for their customers to use so that they can shop online. The company has made the technological change after pandemic to decreases the negative effect upon its overall sales. Apart from this the Sainsbury company also has adopted the efficient and latest management information system through which they save and store the information related to their customers so that they can serve them in a better way. The company has the full record of the customers who are loyal to them so that they can be served in some special way as a repayment for their loyalty. The information about customers will also help the company to maintain a good relation with them by by wishing them on festivals, educating them about offers and discount and much more.

Legal Factor

Sainsbury's business in the UK environment is successful because of adhering to the simple and understandable legal framework and by providing better work environment for labour, which helped the organisation in achieving it's goal and objectives. It includes the the rules and regulations set by the legislative department of the country. Sainsbury follows all these rules and regulations and has successfully attain the confidence and trust of both government and customers.

Environmental factor

Sainsbury's in UK have adopted using eco friendly machinery which results in the reduction of industrial waste and also providing recyclable poly bags for the consumers to carry

their groceries. Sainsbury's also adopts all the environment friendly measures in the production and selling of products. The Sainsbury Company at the time of covid-19 did contribute to the society at his end also. They provided the free wheat and many essential product to the government and also directly to the people who cannot access for basic food. They also follow all the environmental related rules and regulation and take the sustainability development very seriously.

Through the SWOT analyses, it is very much clear that the presence of company in UK market is very strong and they acquire a huge market share in the market place. This works as a merit for the company as they have that capacity to afford the expenditure incur for the sanitizers and for adopting the latest technology. This would help them in performing their work with full effectiveness and efficiency. Although the COVID-19 has caused some losses with regard to the sales of the company, but it can now be get cope up with selling the products at the company's online site. COVID -19 has increased the sales done through online platform, so this has saved the company from more loss as they are present at the online site. This can also work as an opportunity for the company as they now can increase their sales and can perform majority of their operations at online platform saving the cost from physical stores.

The threat from competition can be surmounted to the regular analyses of social factor. Through this factor the company can attain the competitive advantage by providing the products or services which the customers are looking for. This will also help them in surviving in the market place and enables them to grow. The Sainsbury company is very big in terms of their operations, bringing the changes in their activities may not be an easy task to perform for the company but not an impossible one because of the flexible culture and structure adopted by the company. The company can make the changes in its internal environment according to the mobility which are taking place in the external environment. Sainsbury company has the potential to cope up with the external market environment by taking its internal strengths and opportunities to high.

Ethical standards and sustainability development

Ethical standard refers to the core ethics which an organisation exhibits. The ethical standard witch Sainsbury company follows includes honesty, integrity and transparency. The company believes that they can attain success and growth in the Marketplace when they are very much honest with the people they are connected to. These people may include the

customers, suppliers, employees, stakeholders, government and etc. The company has made up their policies and structure in such a way that it integrates with their ethical standards. They believe that when they are honest with their people the people will in written stay connected with them. And maintaining a strong connection with the people also helps the organisation in attaining a different type of competitive advantage into the Marketplace. The options and the operations performed by the organisation is so transparent that the customers May know about the operations which goes in the company. Sainsbury is very much particular about the ethical standard and always try to not to break any of these. They stand by on the policy of thinking about others before and then about the company. The culture which has been set is such that it gives flexibility to the employees operations and provide happy and comfortable environment at the workplace.

In the COVID- 19 times also, the company made their policies in their working premises in a view to keep the safety of the customers and employees. They have fully taken care about the safety and try to provide a safe environment to the people through their policies and culture formed by the organisation. The company made it compulsory for the people to wear mask, use the sanitizers before taking entry into premises, the use of technology which reduces the human touch at this maximum, temperature checking of the customers and staff members and so on. All these policies where were made compulsory and become the part of organisational ethical policies.

The company always try to maintain a satisfaction level of their employees because they know that these are the true asset for them. The people like stakeholders, employees, suppliers, employees and etc has developed a sense of trust with this company. They feel that they will receive a full level of satisfaction from Sainsbury as from their past experiences they have successfully meet the requirements of them. The establishment of ethical standards helps the organisation accountable for their actions. The benefits of these ethical standards can be as follows:

Facts: The implementation of these ethical standards helps the organisation in giving particular directions to their actions. The company actions are formed with regard to the ethical they can establish for themselves. For example, Sainsbury will not try to hide any policy or operations from its employees as they believe in the policy of honesty. They have implemented this policy as one of their core ethical standard. Through this they will not even perform any activity which would lead to the break of trust about the company among employees.

Improves the relationships: The implementations of ethical standards help the company in improving the relationships with the people who are associated with the company. The ethical standard enables in maintaining the relationship with the employees, customers, stakeholders and so on and this ultimately benefits the company at least. Building up of the relationship helps in increasing the goodwill among the market, builds up the creditability, and retention of loyal people with the company. All these factor helps the company in long run also.

Apart from this the policies and the operations are set in such a way which brings the sustainable development in the organisation. The sustainability development refers to the development of all those parties which are in contact with organisation. Sainsbury has realised that in this competitive world they can retain themselves through the sustainability development only and for this they have formed their policies in such way which brings growth and development to all the people or resources. The sustainable development has benefited the organisation in following way:

Increase in profit: the company has notice huge increase in their profit through the sustainable development. The employees and the customer along with the stakeholders are so happy and satisfied as their respective goals and objectives get timely fulfilled by the organisation.

Increase in performance: through the application of sustainability development Sainsbury has notice an increase in the performance of the company. They have noticed that the productivity of their employees has got increase as their motivation and satisfaction level also get increased simultaneously. The Company now able to recognise the need and motivational factors of the employees and successfully provide them with the same. This increases the values and honesty among the employees towards the organisation and force them to willingly perform good in their work.

Increment profitability and lessen costs: Doubters of sustainability guarantee that sustainable strategic policies eat into corporate benefit. Advancement of sustainable strategic approaches fits proficient activity that smooths out exertion and preserves assets, which improves worker profitability and diminishes cost. Diminishing expense likewise includes energy preservation procedures that can be as straightforward as killing superfluous lights and protecting dividers to more complex endeavors, for example, establishment of geothermal warming and cooling frameworks.

Increment business capacity to consent to guideline: With all the conversation with respect

to environmental change, decreasing energy assets, and natural effect, it's nothing unexpected that state and national government offices are ordering guidelines to secure the climate. Incorporating sustainability into your business will situate it to meet changing guidelines in a convenient way.

Draw in workers attention: Individuals like to be related with the positive, particularly more youthful ages raised on a consistent eating regimen of ecological security messages. They would prefer not to be connected to organizations ensnared in natural fiascos and social government assistance outrages. Show your organization as conscious of the climate and of its workers and it will pull in the type of individuals whom you need to utilize and the assets your business needs to grow.

Diminish waste: This is likely the least complex and most clear approach to participate in sustainable practices. Starting during the 1990s with workplaces gathering void jars for reusing, the exertion has developed to envelop squander moderation in paper (rationing trees and timberland natural surroundings), esteem designing of items (modifying or growing new cycles that utilization less crude materials, squander less material underway of merchandise), to trading out brilliant lights for LED lights (more prominent productivity joined with less bulbs utilized).

CONCLUSION

On the basis of PEST analysis, SWOT analysis and Porter's five forces it is analysed that Sainsbury's is working on their strategy formulation regarding their product range and focus on the expansion of the market and increasing their capital in the market. Sainsbury's is expanding through acquiring and merging various small supermarket and other shops of the UK retail chain. Sainsbury's have options to expand their business by focusing on the revenues and promoting the organisation at big level. This helps Sainsbury's to achieve competitor advantage over their competitors. Sainsbury's deals with the fierce competition and with the higher customer expectations the brand is implementing the effective and efficient strategy. Sainsbury's competes with the companies like Tesco, Asda and Morrison in the UK environment which are the oldest rivals of the company and with the change in the technology and evolving world Sainsbury's have taken steps towards adapting the digitalisation and focusing on the research and development of the organisation. Sainsbury's is expanding their business in different countries by making trade agreements with the different organisation and setting up

their business in other countries by following the legal and political reforms and policies. The following analysis shows that the Sainsbury's is working on their strategies to reach out to more consumers by aggressive advertising and marketing campaign. Sainsbury' retain their consumers by giving them exciting and discount offers and provide the consumers good quality products with affordable prices because this will help Sainsbury's in retaining their consumers for long term.

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