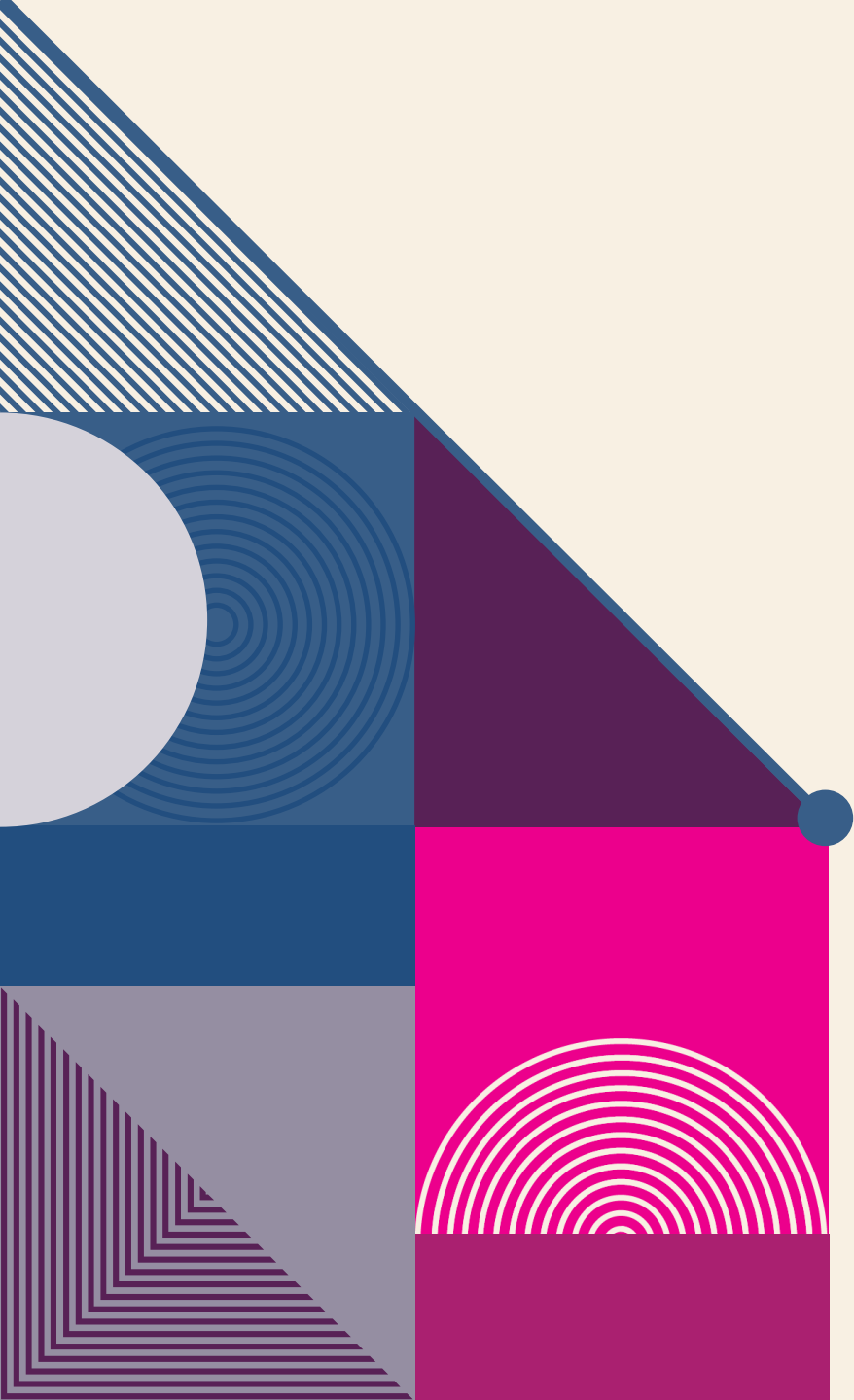




Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

MODULE NAME: UNDERSTANDING ORGANIZATIONAL STRUCTURE AND CULTURE
LCBB4009_LON
STUDENT NAME: ILEANA GALATANU
STUDENT ID: 2418480

TESCO'S 3 WAYS OF ORGANIZATIONAL STRUCTURE



PRESENTATION OUTLINE

- 1. What is an organizational structure and chart**
- 2. The importance of an organizational structure and chart at Tesco PLC**
- 3. Three Organizational structures and charts for Tesco PLC**

Functional Structure

Divisional Structure

Matrix Function

4. Conclusion

5. Reference list

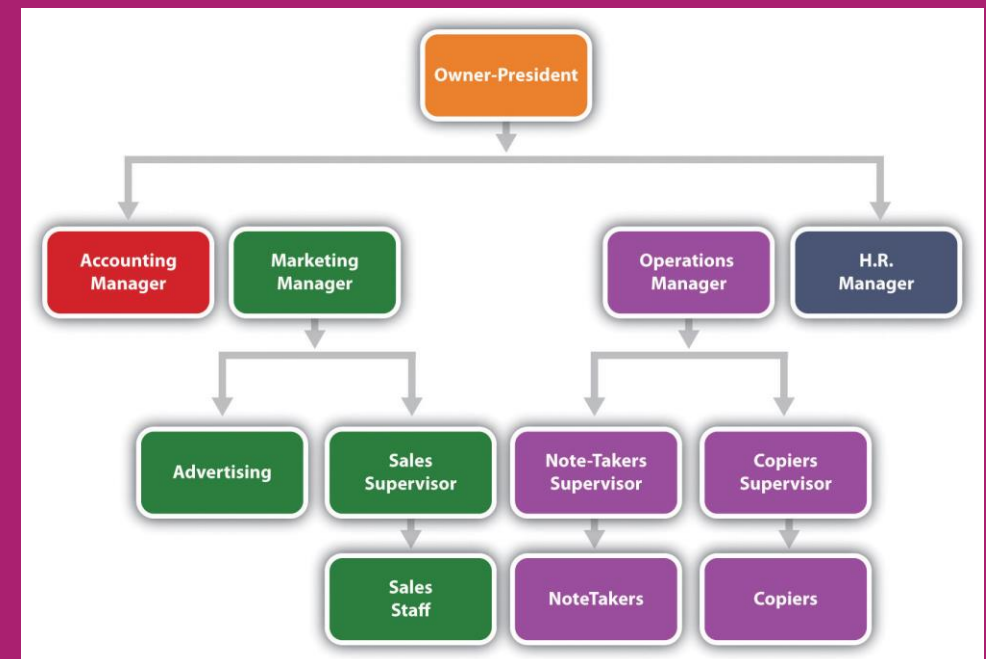
INTRODUCTION

1. What is an organizational structure and chart

An organizational structure defines how tasks are divided, coordinated and supervised to achieve the organizations objectives. It establishes a framework for communication, decision- making and authority distribution (Mullins, 2019).

An organizational chart is a visual representation of a company's structure showing the relationships and hierarchy among employees, departments or functions. (Heaslip, 2024)

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2. THE IMPORTANCE OF AN ORGANIZATIONAL STRUCTURE AND CHART AT TESCO PLC

An organizational structure within every business is essential for various reasons.

At Tesco PLC it helps clear roles and responsibilities, this prevents confusion about who does what, ensuring efficiency and accountability(Tesco PLC, 2024).

- Improves communication, makes information flow smoothly between managers and employees, it helps identify the go to person in specific issues and reporting to the right person is easier.
- Better decision making is another important aspect of the importance of an organizational structure and chart. With a clear chain of command decision-making becomes faster and more effective. Leaders can delegate tasks for better strategic plan.
- Increased efficiency and productivity are achieved when roles and workflows are clearly defined, employees can focus on their tasks without overlapping responsibilities.
- Enhanced employee accountability and motivation is obtained when everyone in the company understands their responsibilities and have clear performance expectations. An organizational chart helps visualize this structure (Mullins, 2019).

3. THREE ORGANIZATIONAL STRUCTURES AND CHARTS FOR TESCO PLC

Functional Structure

Tesco groups employees according to specialized functions (e.g., Marketing, HR, Finance)

Works well for large organizations with stable environments(Tesco PLC, 2024).

Encourages expertise and efficiency within departments.

Advantages: clear line of authority, high specialization and efficiency, economies of scale

Disadvantages: slow decision-making, departments may work in silos (Daft, 2020).

Tesco Functional Chart

• CEO → HR Director → Finance Director →
Marketing Director → Operations Director →
Supply Chain Director



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DIVISIONAL STRUCTURE

Organisation is divided by product, geographical area or customer type (Daft, 2020).

Each division operates like a small company with its own resources.

Tesco could use divisions such as Tesco Express, Tesco Superstore, Tesco Online (Tesco PLC, 2024).

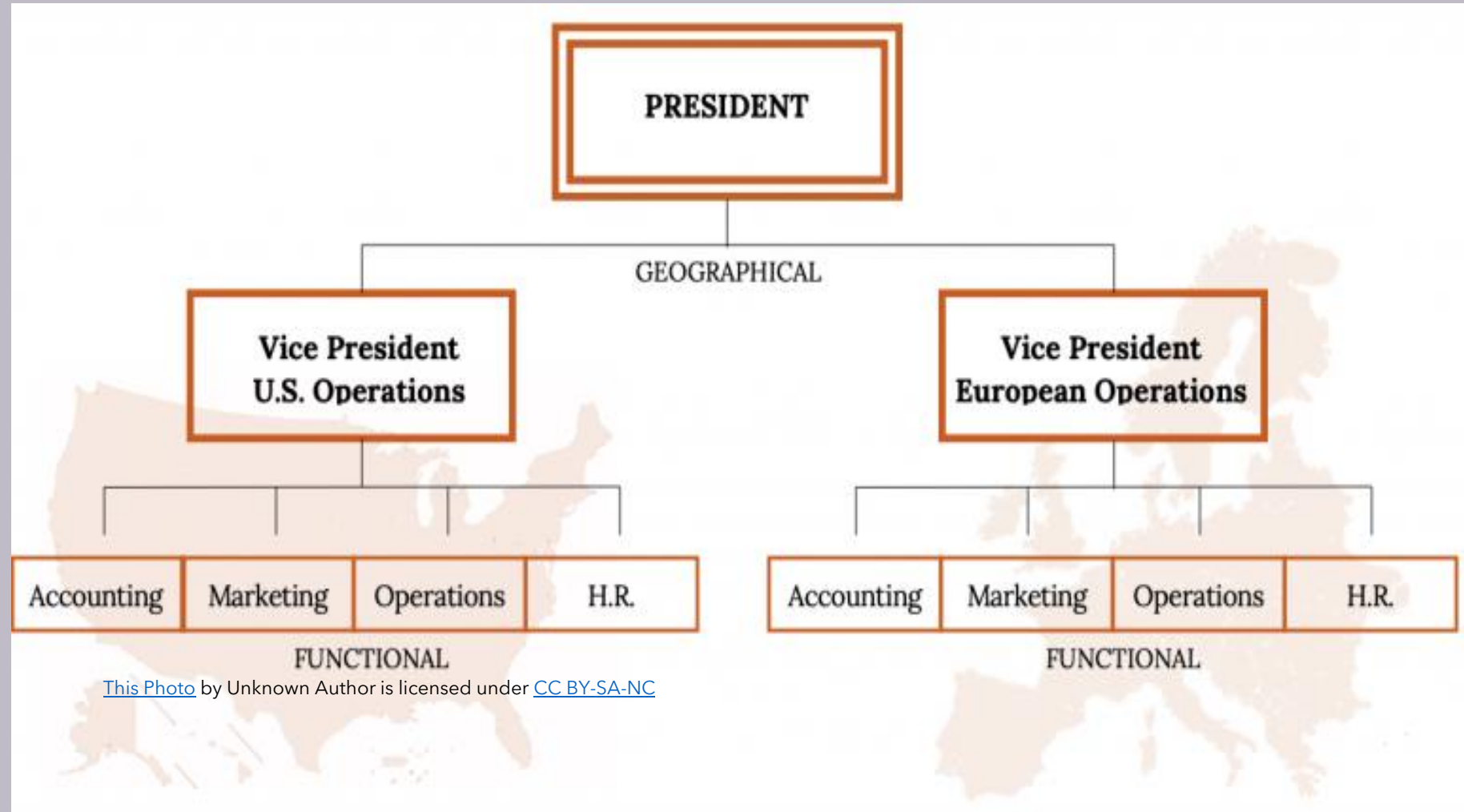
Advantages: quick decision-making within divisions, focus on products/regions, more accountability

Disadvantages: duplication of resources(e.g., multiple HR teams), divisions may compete for resources (Mullins, 2019).

Tesco Divisional Chart

Group CEO → Tesco UK CEO → Tesco Ireland CEO → Tesco Europe CEO

Each division has HR, Finance, Marketing, Operations (Tesco PLC, 2024)



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MATRIX STRUCTURE

Combines functional and project/divisional structures (Robbins and Coulter, 2021).

Employees report to two managers: a functional manager(HR, Finance) and a project/operations manager(Store Manager, Online Delivery Manager)

Advantages: encourages collaboration across departments, flexible and adaptable to complex operations.

Disadvantages: dual authority may cause confusion, requires strong communication and coordination (CIPD, 2023).

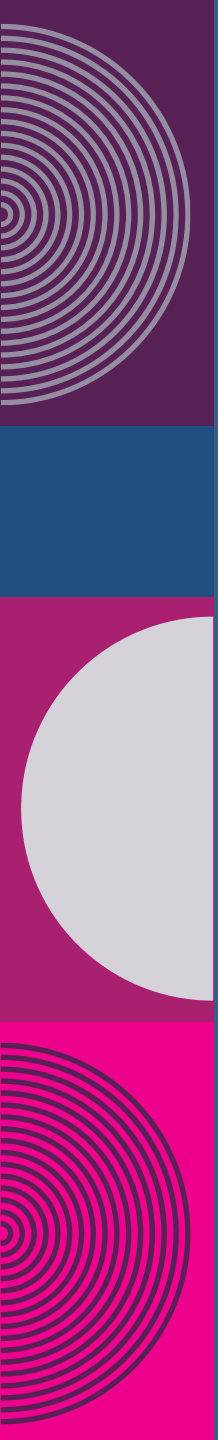
Tesco Matrix Example

Employees work across functions and strategic projects

– Example: Online Expansion

HR/Marketing/Operations (Tesco PLC, 2024).





5. CONCLUSION

A well defined structure improves efficiency, streamlines decision making and ensures accountability among employees. Additionally, an organizational chart helps employees understand their position within the company, building a sense of direction and teamwork. A structured approach also helps this small business to operate smoothly, adapt to challenges and achieve long term success.

Organizations can be structured in different ways depending on strategy and operational needs.

Functional Structure: specialization and efficiency.

Divisional Structure: flexibility and accountability by product/region.

Matrix Structure: collaboration and adaptability.

Tesco uses elements of all three, depending on the department.

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An abstract geometric design on the left side of the slide. It features a dark blue background with various geometric shapes and patterns. A white circle is positioned near the top left. Below it, a light blue semi-circle is visible. To the right of the semi-circle, there is a pink triangle with diagonal lines. Below the semi-circle, there is a pink square with a pattern of concentric lines. To the right of the square, there is a light blue triangle. Below the square, there is a pink triangle. To the right of the triangle, there is a dark blue triangle. The overall design is modern and minimalist.

THANK YOU