

Case Study: Marks & Spencer

As an organisation develops, it creates working practices within the business that reflect its way of doing things. These practices become embedded in decisions and operations. The way of doing things guides and influences employees as they carry out their work. However, when organisations develop a new business strategy this creates a process of change. This leads to different ways of working.

With more than 120 years of heritage, Marks & Spencer is one of the best-known British retailers. The company has more than 450 stores within the UK and employs more than 65,000 people. It also operates outside the UK where it has a developing business in places as far afield as Hong Kong. In recent years, the UK's retailing industry has been characterised by intense competition. Customers are more aware of where and how they want to shop. They also know what sort of shopping experience they require. This has made it much more difficult for retailers to survive.



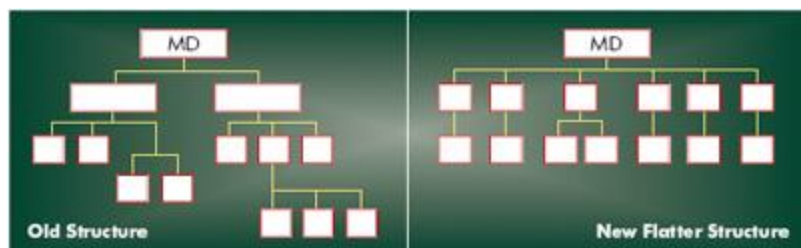
The result was that Marks & Spencer had to develop a new business strategy. This created a period of change for the whole organisation. The period of change involved refocusing the business upon the basics. This included the three business values of Quality, Value, and Service.

Marks & Spencer developed a promotional campaign that emphasised 'Your M&S'. This helped the company to connect customers with the heritage in the business. It also linked the business in the minds of customers with its two other values of Innovation and Trust. The process involved three key features:

- Developing products that customers wanted
- Investing in the environment within stores
- Providing good customer service to look after customers

These changes have created a business environment with more challenges for employees. Managers had to prepare employees for whatever role they would be asked to undertake in this new environment. The answer was to develop career paths for the employees.

The changes within Marks & Spencer have created a business that now has a flatter organisation structure. The business lost a number of layers of authority through a process of delayering. This means that employees throughout the business have more responsibility. This enables them to make quick decisions when required. At the same time, these employees have more accountability than before. This means that they must be prepared to explain and justify the decisions that they take. The Marks & Spencer Head Office in London employs around 3,000 people. These employees have specialist roles within the organisation. There are the buyers of stock, people involved in managing stock and its layout within stores, and staff working in marketing or accounts. The changes within Marks & Spencer have created a business that now has a flatter organisation structure. More than 60,000 employees work in the Marks & Spencer stores, many in management roles where they lead and motivate a team of people. The company also has many franchise outlets overseas. These employees also have training needs.



In a flatter organisational structure, many employees have bigger jobs. There are higher expectations that staff can contribute more to the organisation. Marks & Spencer needs to keep its staff well-trained and able to respond to the business needs. There is also a need for succession management. When individuals either retire or move from one job to another, managers have to plan their replacements so that experienced staff with the right skills and competencies are selected.

It is important to develop a career path for people that meets their needs as well as the needs of the business. To match its business strategy, Marks & Spencer develops existing staff from within the organisation. It also recruits managers at three different levels:

- Trainee managers with A-levels undertake 24 months of training
- Graduates who join the organisation from university have 12 months of training
- Experienced managers who have retail experience undertake up to 3 months of training when they join Marks & Spencer. This helps them understand how Marks & Spencer operates.