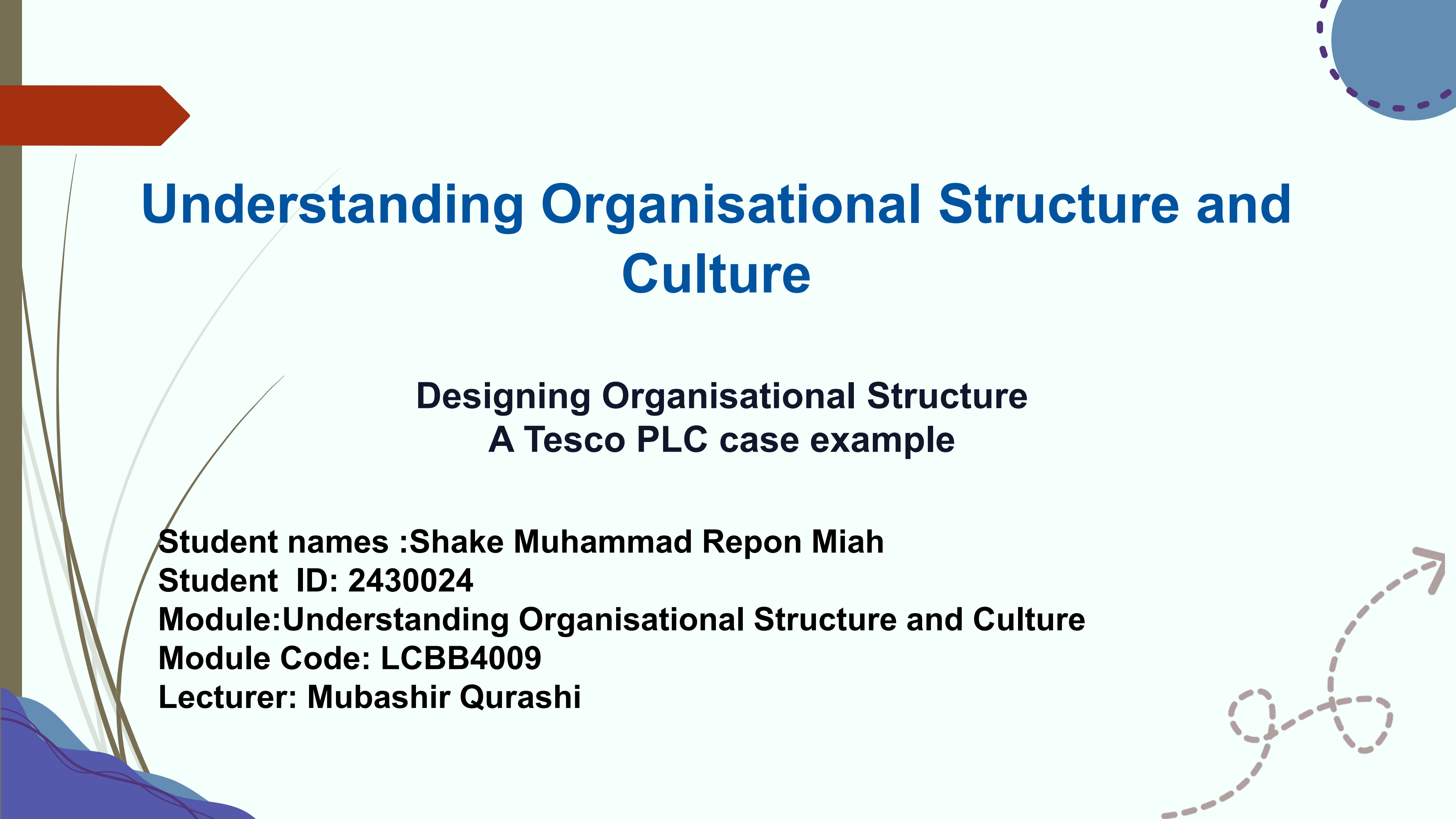




Understanding Organisational Structure and Culture

Designing Organisational Structure A Tesco PLC case example

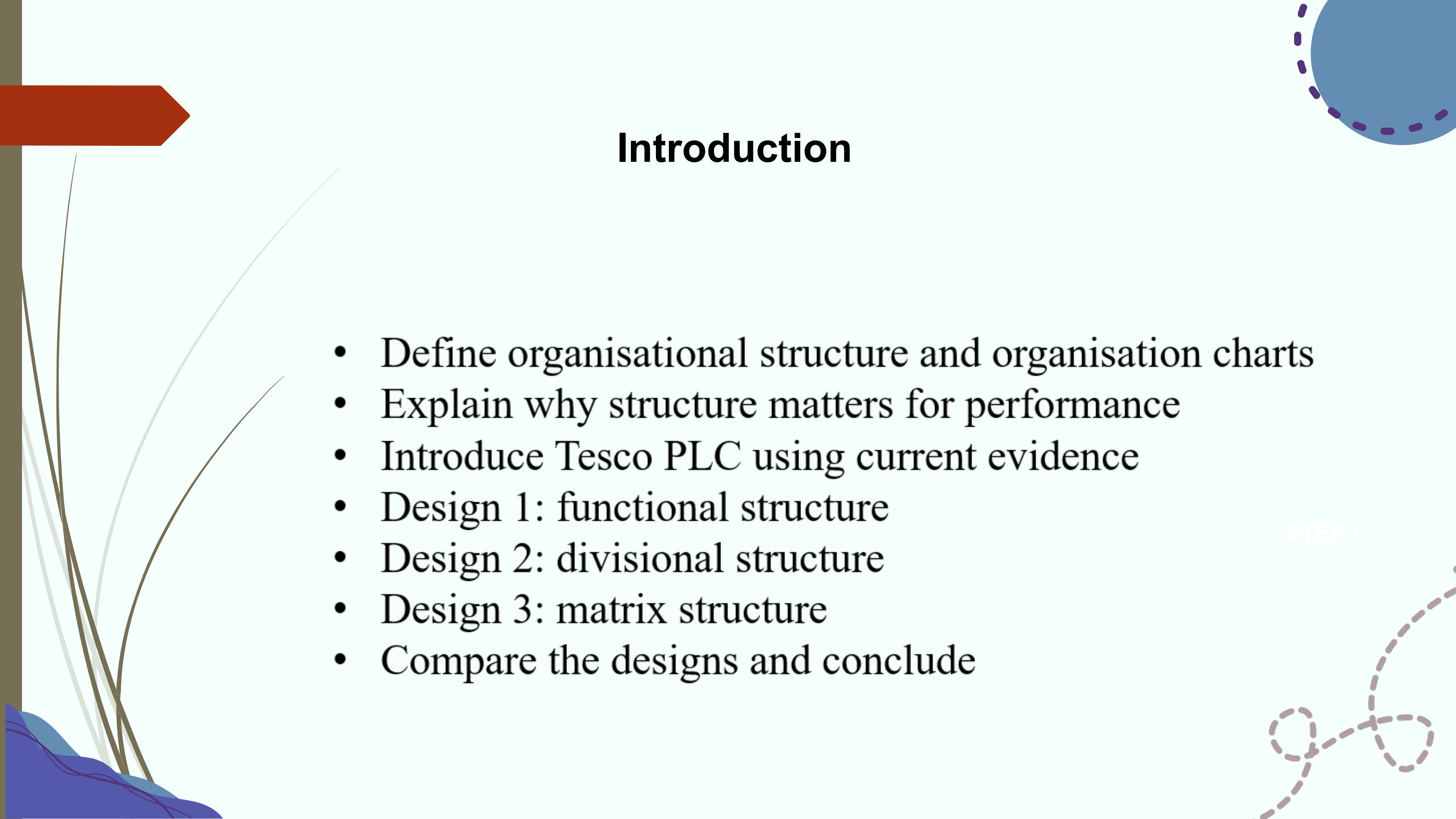
Student names :Shake Muhammad Repon Miah

Student ID: 2430024

Module:Understanding Organisational Structure and Culture

Module Code: LCBB4009

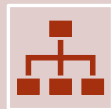
Lecturer: Mubashir Qurashi



Introduction

- Define organisational structure and organisation charts
 - Explain why structure matters for performance
 - Introduce Tesco PLC using current evidence
 - Design 1: functional structure
 - Design 2: divisional structure
 - Design 3: matrix structure
 - Compare the designs and conclude
- STEP 1

Organisational structure and charts



Organisational structure: The way tasks, authority and reporting relationships are organised.



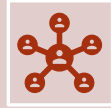
Organisation chart: graph that displays the structure of departments, jobs and reporting relationships.



Provides clarity regarding roles and responsibilities, decision making and coordination between units

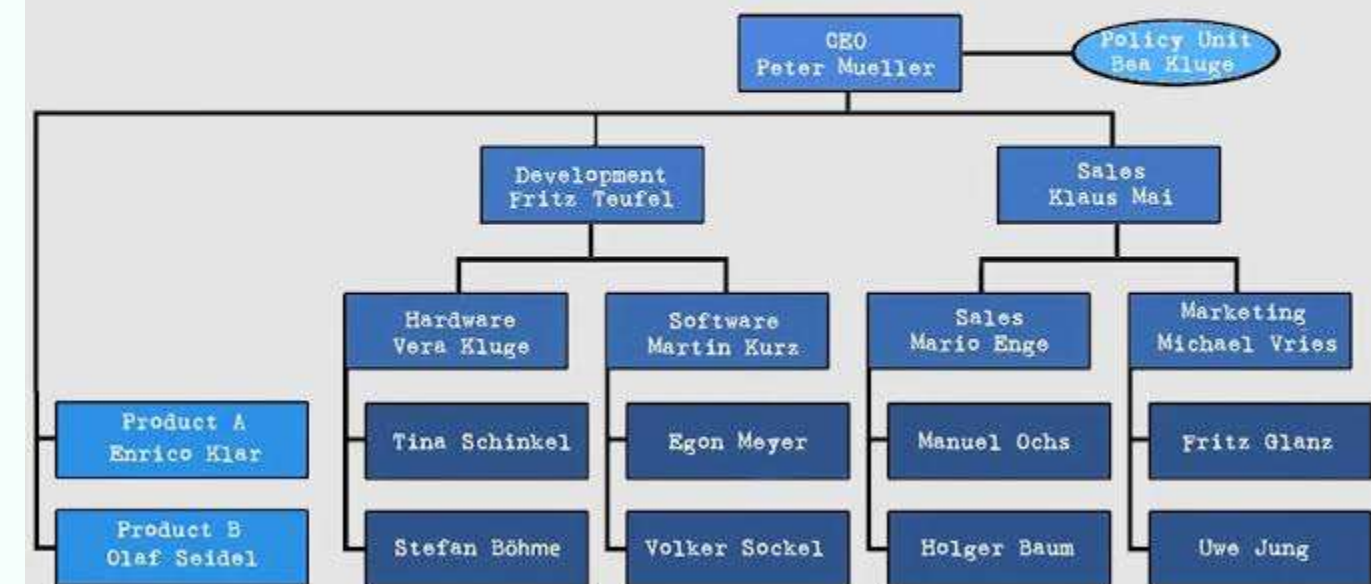


Impacts accountability, communication velocity, control and culture



Not all the informal relationships are displayed in formal charts.

ORGANISATION CHART



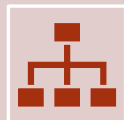
Case organisation – Tesco PLC

- 3,724 stores across five European markets
- More than 340,000 colleagues
- £66.588 billion group sales, excluding VAT and fuel, in FY2025/26
- 28.5% reported UK grocery market share
- 93 stores opened, including 65 UK Express stores
- Online sales increased by 11%

Design 1 – Functional structure



- Employees grouped by specialist business function



- Clear professional expertise and reporting lines



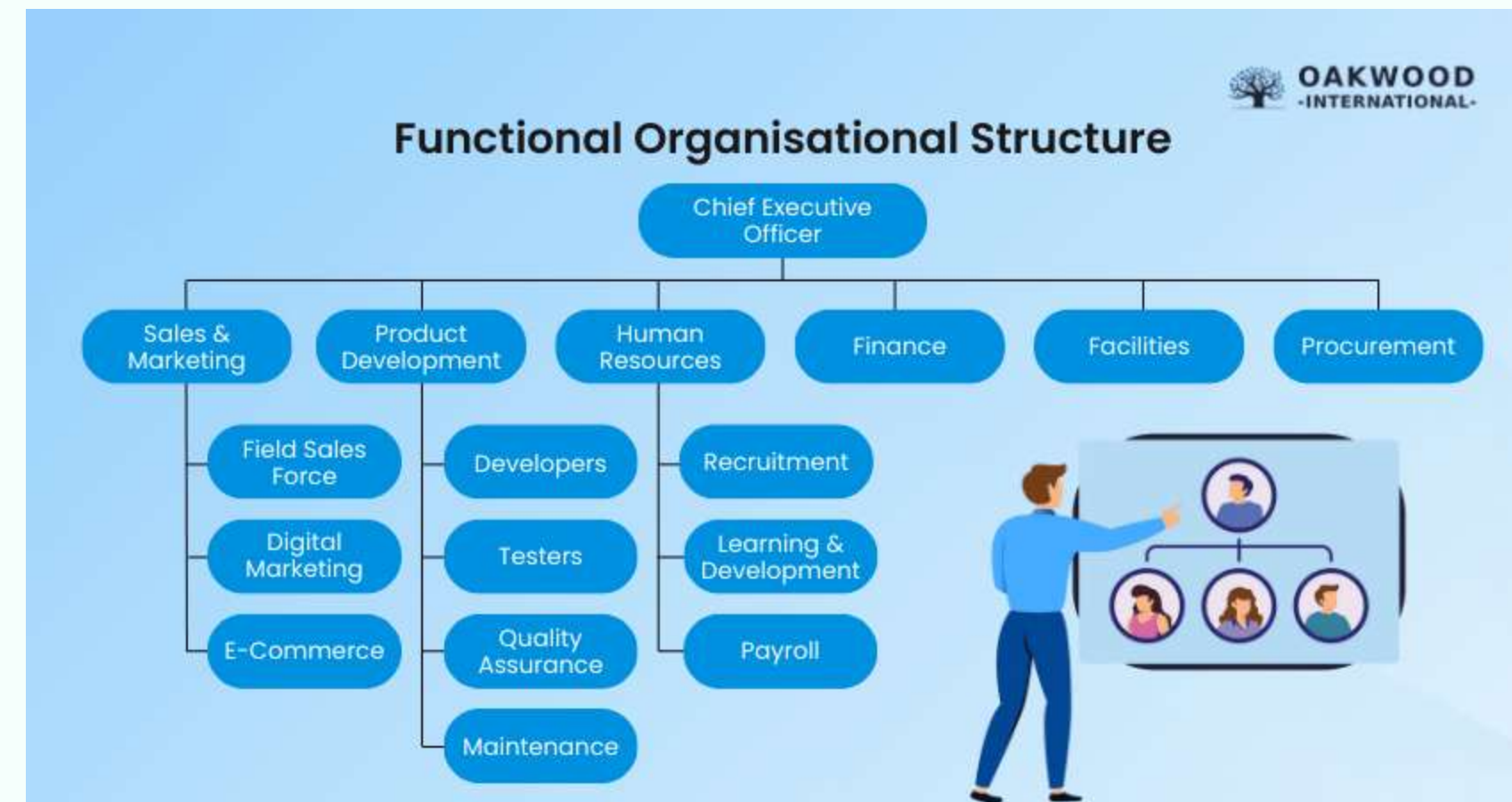
- Supports standardisation, economies of scale and cost control



- Tesco examples: buying, supply chain, finance, people and technology

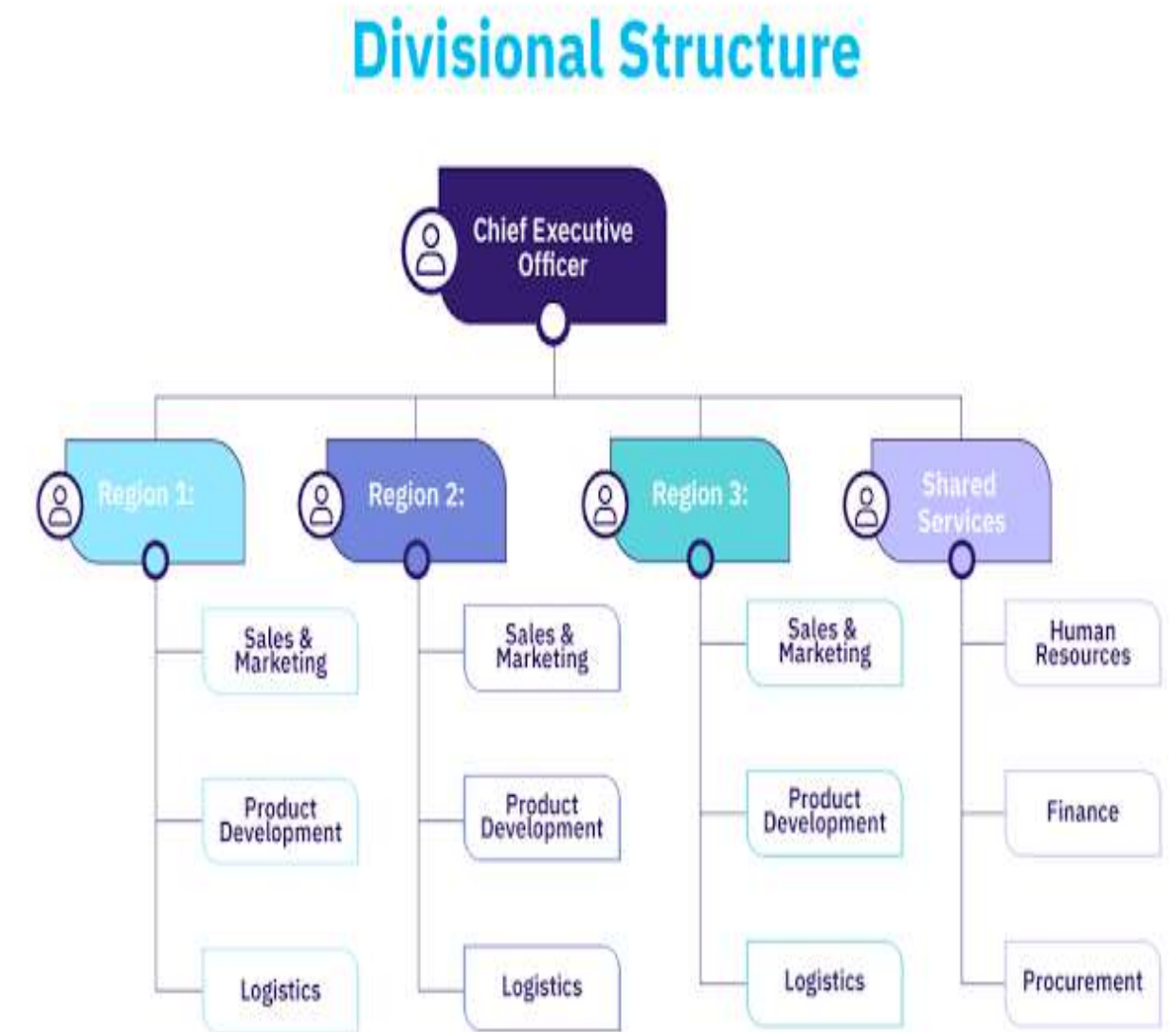


- Main limitation: departmental silos and slower cross-functional coordination

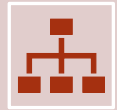


Design 2 – Divisional structure

- Employees grouped by business unit, customer, geography or format
- Division managers are accountable for their market and results
- Tesco examples: UK and ROI retail, Booker, Central Europe and online
- Supports local responsiveness and customer focus
- Main limitations: duplicated resources and inconsistent subcultures



Design 3 – Matrix structure



- Combines functional authority with product, channel or project authority



- Employees may work for a functional manager and a project leader



- Tesco examples: Clubcard, online grocery and Whoosh rapid delivery



- Supports knowledge sharing, innovation and complex change



- Main limitations: role conflict, meetings and dual authority



Types of Matrix Organisational Structures

01. Balanced Matrix

02. Weak Matrix

03. Strong Matrix

04. Functional Matrix

05. Composite Matrix

06. Transient Matrix

07. Global Matrix

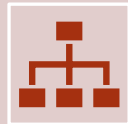
08. Customer Matrix

09. Hybrid Matrix

Comparison and recommended design

- Functional: strongest for efficiency, standards and specialist control
- Divisional: strongest for responsiveness and business-unit accountability
- Matrix: strongest for collaboration, innovation and strategic projects
- No structure is universally superior; effectiveness depends on fit
- Recommendation: a hybrid structure for Tesco

Structure, culture, performance and leadership



- Structure shapes authority, information flows and employee behaviour



- Culture shapes values, cooperation and customer service



- Managerial work: planning, organising, leading and controlling



- Relevant measures: sales, availability, labour cost, fulfilment and satisfaction



- Leadership connects the organisation chart with daily performance



Conclusion

- Functional design for efficiency and control
- Divisional design allows them to be responsive to the market.
- Collaboration and change capability through matrix design
- Tesco must have a hybrid NOT one pure structure.
- The formal design is dependent on leadership and culture.

Reference list

- Abdeljawad, I., Alia, M.A., Kharoub, T. and Abulrub, S. (2025). The Impact of AI on Customer Service and Financial Decision-Making: The Perceptions of Bank Clients. *Studies in Systems, Decision and Control*, pp.845–861. doi:https://doi.org/10.1007/978-3-031-87584-7_60.
- Azan, M.E.M. and Karimah, W.N. (2022). The Relationship between Customer Loyalty Program and Customer Retention at Tesco. *Research in Management of Technology and Business*, 3(2), pp.174–184. doi:<https://publisher.uthm.edu.my/periodicals/index.php/rmtb/article/view/9730>.
- Decker, M.C., Wegner, L. and Leicht-Scholten, C. (2024). Procedural fairness in algorithmic decision-making: the role of public engagement. *Ethics and Information Technology*, 27(1). doi:<https://doi.org/10.1007/s10676-024-09811-4>.
- Fhariz El Habyb and Syamsir Syamsir (2026). Outreach Effectiveness and Inter-Organizational Coordination as Drivers of Service Quality in a One-Stop Public Service Mall. *JESS (Journal of Education on Social Science)*, [online] 10(2), pp.154–165. doi:<https://doi.org/10.24036/jess.v10i2.662>.
- Ho, J.T., See, M.T.A., Tan, A.J.Q., Levett-Jones, T., Lau, T.C., Zhou, W. and Liaw, S.Y. (2023). Healthcare professionals' experiences of interprofessional collaboration in patient education: A systematic review. *Patient Education and Counseling*, [online] 116(107965). doi:<https://doi.org/10.1016/j.pec.2023.107965>.
- Joseph, J. and Sengul, M. (2024). Organization Design: Current Insights and Future Research Directions. *Journal of Management*, [online] 51(1), pp.249–308. doi:<https://doi.org/10.1177/01492063241271242>.
- Meng, S. (2024). Operation Management of Grocery Retailer in the UK: A Case of Tesco. *Pacific International Journal*, 7(2), pp.136–142.
- Plavcan, P., Bellmann, K.-H., Hauptvogel, G.A., Weber, M. and Pfeifer, A. (2025). Comprehensively assess the level of environmental policy, implementation of environmental strategies, employee engagement and involvement of suppliers in environmentally oriented business. *Journal on Innovation and Sustainability RISUS*, [online] 16(4), pp.155–164. doi:<https://doi.org/10.23925/2179-3565.2025v16i4p155-164>.
- Sharma, A., Jain, R. and Pajni, N.S. (2022). Risk Identification Techniques in Retail Industry: A case study of Tesco Plc. *The Journal of Corporate Governance, Insurance, and Risk Management (JCGIRM)*, 9(1), pp.201–214.
- Zhou, S. and Norlaile Salleh Hudin (2025). How does in-store and online shopping experiences influence repurchase intentions in Shandong, China? Roles of perceived value, brand trust, and customer satisfaction. *PLoS ONE*, 20(8), pp.e0321485–e0321485. doi:<https://doi.org/10.1371/journal.pone.0321485>.

STEP 1

STEP 2

STEP 3



**THANK
YOU**

Any Questions?