



ASSIGNMENT ONE

LCBB4003 The modern workplace

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Marks and Spencer: Exploring the Relationship between Organizational Structure, Culture, and Performance

Abstract

This report aims to analyse the organizational structure and culture of Marks and Spencer (M&S) and its impact on the company's performance. Additionally, the report will explore the strategies employed by M&S to motivate its employees, ultimately contributing to its success. Through an examination of various sources, including academic literature and industry reports, this report will provide valuable insights into M&S's organizational dynamics and shed light on the factors that drive employee motivation within the company.

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Introduction

Marks and Spencer, commonly known as M&S, is a well-established British multinational retail company. Founded in 1884 as a stall in an open market in Leeds by Jewish immigrant Michael Marks. Over a period of 10 years, the fame of Marks's Penny Bazaar continuously grew and Tom Spencer joined the business as a partner. On the 28th of September 1894 Marks and Spencer was born. The two expanded the business with stalls and stores under the name of Penny Bazaar keeping the initial penny slogan. Over the years the company continued to grow, surviving two world wars.

Through the use of innovation and research Marks and Spencer has become a staple in British retail and at present days employs over 65000 people throughout its support centres, warehouses, and stores and serves more than 30 million customers per year (Marks and Spencer Group PLC, 2022).

The organization has been a prominent player in the retail industry, with a strong focus on clothing, home products, and food. M&S has witnessed both successes and challenges throughout its history, making it an interesting case study to examine the relationship between organizational structure, culture, and performance.

Organisational Structure and Performance

Organisational structure refers to “the distributions, among various lines of people among social positions that influence the role relations among these people” (Blau 1974 as stated by Hall, R. 2002, p.48). Hall further elaborates on the variety of definition implications – the division of labour within the organisation, i.e. who does what job in the business or the definition of hierarchy or ranks, where employees expected behaviour within the company is to an extent strictly defined by rules and regulations.

Structures in organisations perform three main functions: most importantly, they are designed to create organisational outcomes and fulfil corporate objectives. Second, structures are intended to reduce or at least moderate the impact of individual differences on the organisation. They are established to guarantee that people comply to the needs of the organisation rather than the other way around. Third, structures are the environment in which authority is utilised (identifies the level of power different positions have), decision-making (the conversion of information into decisions is greatly influenced by structure), and organisational activities are carried out.

The organisational structure can be qualified into four main types (Hall, Jones and Raffo, 2008):

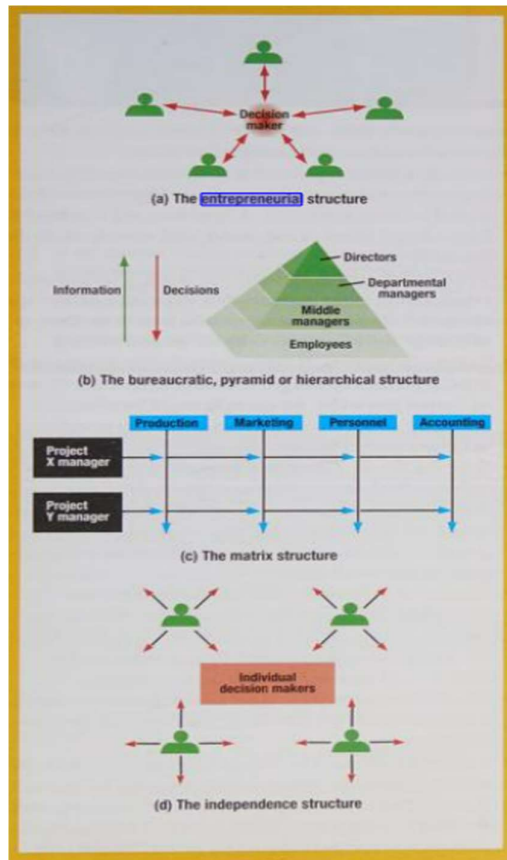


Fig 1. Forms of organisation structure (Hall, Jones and Raffa, 2008)

The company is divided into various departments, such as buying, merchandising, finance, and operations, each led by a department head. This structure facilitates coordination and decision-making processes, allowing M&S to respond effectively to market demands and maintain efficiency. The hierarchical structure at M&S has contributed to its overall performance by providing a clear chain of command, facilitating communication, and ensuring accountability. The structure enables efficient resource allocation, streamlines operations, and enhances decision-making processes, which are crucial factors in achieving organizational goals (Annual report, M&S, 2022).

Organisational Culture and Performance

According to Mullins (2019), the easiest way to describe culture in an organisation is “the way things are done around here”. Summarising different sources on this topic, he suggests that culture refers to understanding of how things are done within an organisation and what behaviour and actions are considered acceptable and unacceptable. Companies require cultural adaptability and continuous growth. Leaders must strive for and foster the most creative and productive workplace culture - or, more often, a blend of cultures - for their organisation. This is why understanding the various forms of organisational culture, as well as its strengths and limitations, is critical.

- Hierarchical – pyramid-shaped depicting the level of position within the hierarchy of the company, with individuals at the top having the most power decreasing further down along the levels.
- Matrix – reliant on teamwork where employees with knowledge specific to the task work together towards the completion of a task.
- Entrepreneurial – centrally made decisions by one or two key workers. Suitable for fast-paced businesses where quick decisions should be made.
- Independent – accentuates on individual decision makers. This type is suitable for independent individuals who are confident in their knowledge and do not need to consult others in order to make a decision. Such individuals can be doctors, barristers etc.

M&S follows a hierarchical organizational structure (see Organisational chart included), with clear lines of authority and well-defined roles and responsibilities.



Fig 2. Organisational culture summary (Mullins, 2019)

As Mullins suggests, there are two common classifications of organisational culture outlined by Charles Handy and Deal and Kennedy. According to Handy, there are four main classifications of culture in the organisation:

- Power culture – a central source of power, suitable for small establishments, reliant on trust, empathy and communication;
- Role culture - the position is a main source of power. The position is more important than the individual appointed to it. Considered a bureaucratic approach;
- Task culture – relies on teamwork, where participants' qualities and knowledge are joined together to achieve their objective;

Person culture - intended to serve the individual within the group, joined together to do their own task; Deal and Kennedy outline four generic culture types depending on factors in the marketplace such as the level of risk associated with the company's business and how fast organisations receive feedback on the success of their decisions:

- Tough guy or macho culture – businesses or individuals willing to take risks in order to receive quick returns (positive or negative) on their actions;
- Work hard/ play hard culture – establishments with high dynamics, where fewer risks are taken and feedback is received fast;
- Bet - your - company – high risk, high investment culture with slow return. Common for capital-intensive industries such as pharmaceuticals, army etc.

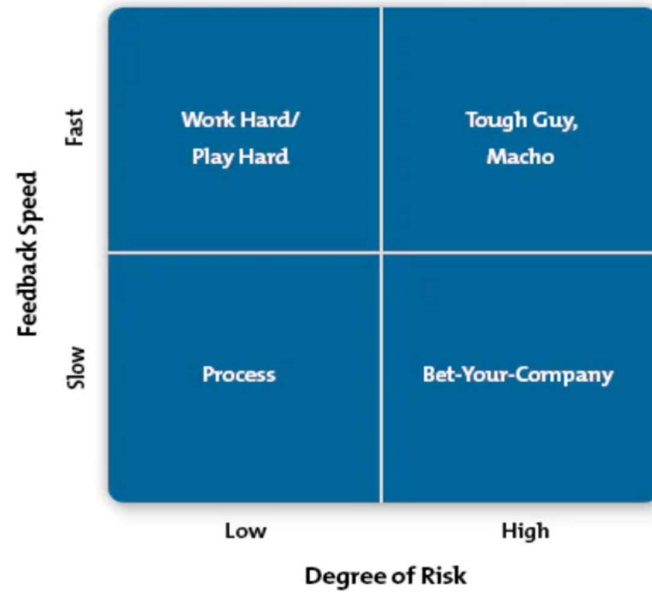


Fig 3. Deal and Kennedy matrix (MTCT, 2023)

M&S has a strong culture rooted in its values of quality, innovation, and sustainability. The company places a high emphasis on customer satisfaction and ethical practices, which are deeply embedded in its corporate culture. This customer-centric culture has helped M&S maintain a loyal customer base and sustain its brand image throughout the years. The company's culture also promotes collaboration, teamwork, and employee empowerment.

The role culture model can be defined considering the organizations' division into departments or as described in their Annual Report 2022 "a family of accountable businesses, each led by its own integrated management".

M&S values diversity and inclusion, fostering an environment that encourages employees to contribute their unique perspectives and ideas. This inclusive culture has a positive impact on employee morale, engagement, and overall performance.

Motivation Strategies at Marks and Spencer

As suggested by Mullins (2019), good organisational performance is dependent on the motivation and actions of its employees. Highly motivated staff is more likely to perform better and strive to achieve the organisation's goals and objectives. Motivation is key to enhancing employee performance and managers should understand how to best motivate their staff and direct their cooperation towards achieving the company's goals.

Motivation is a complex subject which can not be given a simple explanation. Many authors have explored the topic leading to the formation of several competing theories.

Most commonly, these theories can be divided into two aspects – content and process theories.

Content theories consist of Maslow's hierarchy of needs theory; Herzberg's theory of two factors and McClelland achievement motivation theory. Content theories seek to explain the unique factors that inspire individuals at work. These theories are focused on recognising people's needs and relative abilities, as well as the objectives they seek to meet these requirements. The nature of wants and what motivates are emphasised in content theories.

Process theories consist of Vroom's expectancy theory, Equity theory of motivation and Goal theory. Process theories seek to establish the connections between the dynamic factors that comprise motivation and the actions necessary to impact behaviour. These theories are mainly concerned with the mechanism of motivation and how conduct is originated, guided, and perpetuated.

The employees' feeling of satisfaction in their workplace has a major impact on their performance. Several factors can influence the way a person feels at their job – individual, social, cultural, organisational and environmental. Employees are more likely to commit and give their best when they feel that their knowledge and personal skills are acknowledged and put into use within the organisation. Feeling included and involved with colleagues and the feeling of cohesion increases work satisfaction and the employees' desire to "be there and perform well". Not being discriminated against on the grounds of gender, ethnicity, religion or nationality is essential to make members of staff included and free to perform to their best abilities. The work environment also plays a role towards happiness of employees – well-organised business where everyone knows the requirements of their role and pleasing working surroundings can also enhance workers performance.

M&S recognizes the importance of employee motivation in driving performance. The company utilizes various strategies to inspire and engage its workforce. One of the key approaches is providing opportunities for personal and professional growth through training and development programs.

M&S invests in its employees, offering them the chance to enhance their skills and advance their careers, thereby increasing job satisfaction and motivation. Furthermore, M&S employs performance-based incentives and recognition programs to reward employees for their contributions. These initiatives not only motivate individuals to perform at their best but also foster a sense of camaraderie and healthy competition among employees.

Additionally, M&S encourages a work-life balance by offering flexible working arrangements. This demonstrates the company's commitment to employee well-being and helps create a positive work environment, leading to increased motivation and productivity.

Conclusion

Marks and Spencer's organizational structure, culture, and employee motivation are intricately connected and play a significant role in the company's overall performance. The hierarchical structure ensures effective coordination and accountability, while the customer-centric culture fosters innovation and teamwork. M&S's motivation strategies, including training and development, performance incentives, and flexible working arrangements, contribute to a motivated and engaged workforce. By understanding and leveraging these interrelated elements, Marks and Spencer has been able to adapt to market challenges, maintain its brand reputation, and drive business growth. The company's success story serves as an inspiration for other organizations looking to build a strong organizational foundation and create a motivated workforce.

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Fig 1. Forms of organisation structure (Hall, Jones and Raffo, 2008)

Fig 2. Organisational culture summary (Mullins, 2019)

Fig 3. Deal and Kennedy matrix (MTCT, 2023)

Organizational Chart of Marks and Spencer Group



www.marksandspencer.com



has 161 executives and 7 subsidiaries



+44 208 718 5999

Board

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[Stuart Machin](#)

Director @ Ocado Retail

Chairman of the Board

[Archie Norman](#)

Director

[Evelyn Bourke](#)

Director

[Fiona Dawson](#)

Director

[Ronan Dunne](#)

Director

[Andrew Fisher](#)

Director

[Tamara Ingram](#)

Director

[Justin King](#)

Director

[Cheryl Potter](#)

Director

[Sapna Sood](#)

N-1

Co-CEO

[Katie Bickerstaffe](#)

CFO

[Jeremy Townsend](#)

Legal & Secretary

[Nick Folland](#)

HR

[Sarah Findlater](#)

Food

N-2

Digital Product

[Krista Nordlund](#)

CTO, Delivery

[Rob Barnes](#)

CTO, Engineering

[Darren Gibson](#)

CTO, Group Services

[Rich Beaumont](#)

Analytical Insight

[John McIntosh](#)

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Technology

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