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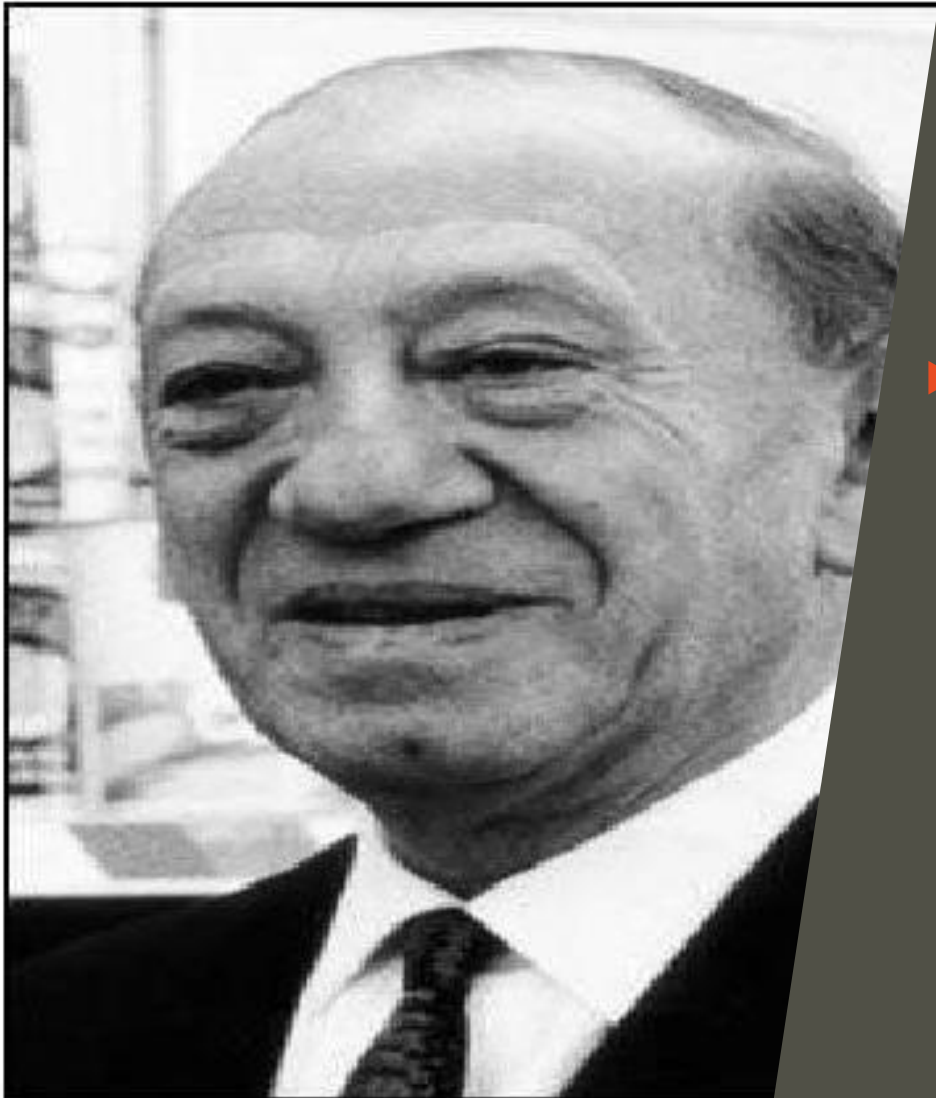
Module: Introducing the Modern Workplace **LCBB4003** **ASSESSMENT 1**

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Jack Cohen
Founder of TE

1. Organisation Profile: History and Background of Tesco

- ▶ Tesco, founded by Jack Cohen in 1919 as a humble market stall selling surplus groceries, has evolved with into a global retail giant. The company's expansion began in the 1920's, pioneering self service and growing nationally. In the post – war era, Tesco opened its first self-service supermarket and diversified into non- food items. The 1970s and 1980s saw further diversification into clothing, electronics, and financial services./ under the leadership of Sir Terry Leahy from 1997, Tesco became the largest British retailer, expanding internationally into eastern Europe and Asia in the 1990s. The 2000s marked Tesco's embrace of online retailing with Tesco.com and entry into financial services through Tesco bank. Despite facing challenges such as market share decline and leadership changes in the 2010s, Tesco has remained major player, adapting to digital trends and emphasizing sustainability in recent years (Tesco, 2023).

Organisational profile: statistics

- ▶ Founded: 1919
- ▶ Headquarters : Welwyn Garden City
- ▶ Country: United Kingdom
- ▶ Chief Executive Officer: Ken Murphy
- ▶ Employees: 336,926

This the statistics of Tesco as of October 2023 (Forbes, 2023).

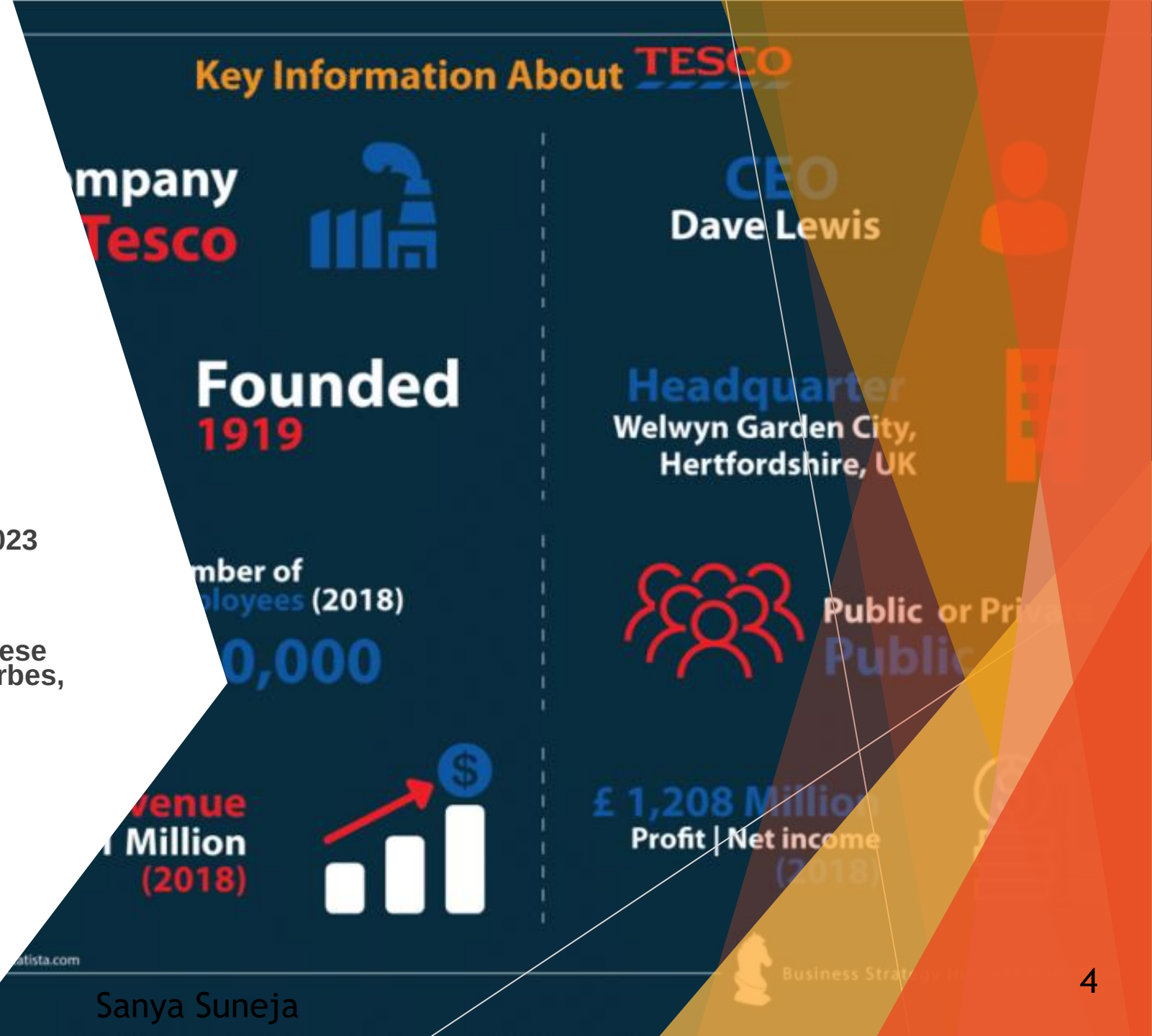
Financial Statistics: According to Forbes these are the financial statistics for year 2023 (Forbes, 2023).

- ▶ Industry: Retail and wholesale

Revenue: \$ 79.7B

Assets : \$ 555.9B

Profits : \$ 900.4B



Organisation Profile: Business Segments

Tesco, a global retailer specializing in groceries and merchandise, has a widespread presence in numerous countries spanning the United Kingdom, Ireland, Hungary, the Czech Republic, Poland, Slovakia, Malaysia, Thailand, and more. The company employs various retail formats, encompassing hypermarkets, supermarkets, and convenience stores.

Business Segments of Tesco:

1. UK and Ireland: Primary market of Tesco, it runs a diverse array of stores, including hypermarkets, supermarkets, and convenience outlets.
2. Central Europe: Establishment in countries such as Hungary, Slovakia, Czech Republic.
3. Asia: Tesco conducts its operations in Asian markets, with a notable presence in countries like Malaysia and Thailand.
4. Tesco Bank: It has extended its services to the financial sector through Tesco bank, providing banking and financial services (Forbes, 2023).

Organisation Profile: Competitors and effect of competition



Tesco contends with formidable competition from major players in the grocery and retail sector. Key rivals of Tesco are:

1. Sainsbury
2. Asda
3. Morrisons

Additionally, the rise of discount chains like Lidl and Aldi and the entry of Amazon into grocer market intensify the competitive landscape (Saeed, M., n.d).

Effect of competition:

This competition influences pricing dynamics, necessitating Tesco to continually innovate, enhance customer experiences, and adapt to changing market trends. The effects encompass potential price wars, adjustments in profit margins and the need for strategic initiatives to maintain and grow market share amid a dynamic retail environment.

2. Relationship between structure and its's performance

Organisation Structure : Tesco

- ▶ According to Minterzberg(1972), an organization's structure is made up of:
 1. the connections between various tasks, systems,
 2. operational procedures, individuals,
 3. teams that collaborate to accomplish objectives.

Organisation Structure : Tesco

- ▶ Formal relationships, and hierarchical levels are all governed by organisational structure.
- ▶ Organisation, it establishes divisions and group positions.
- ▶ Is subject to several influences and involves the building of systems for coordination and productive connections

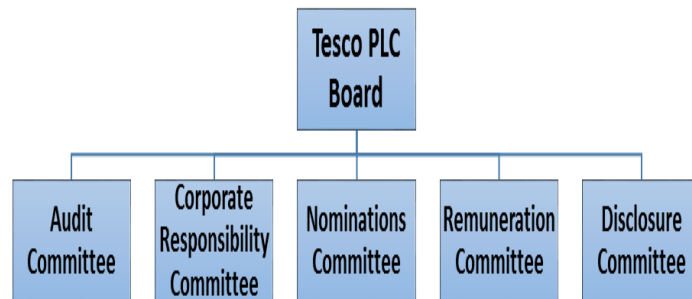
Organisation Structure : Tesco

- ▶ Structural factors emphasized internal traits.
- ▶ Organisational structure is impacted by;
 - ▶ objectives,
 - ▶ strategy,
 - ▶ environment,
 - ▶ technology,
 - ▶ scale,
 - ▶ position between the organisation
 - ▶ environment.

Types of Organisational Structure

- Decision power(centralized and decentralized structures);
- Leaders and layers of management(flat and tall organizational structure);
- Other types (functional, product-based and matrix organizational structures).

Tesco's Organisational Structure



Dudovskiy, J., (2016).



Decentraliza
tion



Tall(hierar
chy)



Product-base



Tesco assigns its personnel to product, client, or geographic categories.



Store managers and regional managers oversee the stores in their respective regions.

ADVANTAGES

- Hierarchical organisational structure gives excellent prospects for managers to further their careers.

DISADVANTAGES

- It may take some time for modifications to take effect as result of the lengthy chain of command.
- The lack of responsibility may result in low employee engagement.

Organisational Culture

- ▶ According to Atkinson(1990), organisational culture is made up of fundamental beliefs about:
 - how employees should execute their jobs,
 - and behaviours are acceptable and inappropriate by norm.
- ▶ Stanford(2010) contends, that culture is an intangible asset that enhances an organization's worth unique by nature.

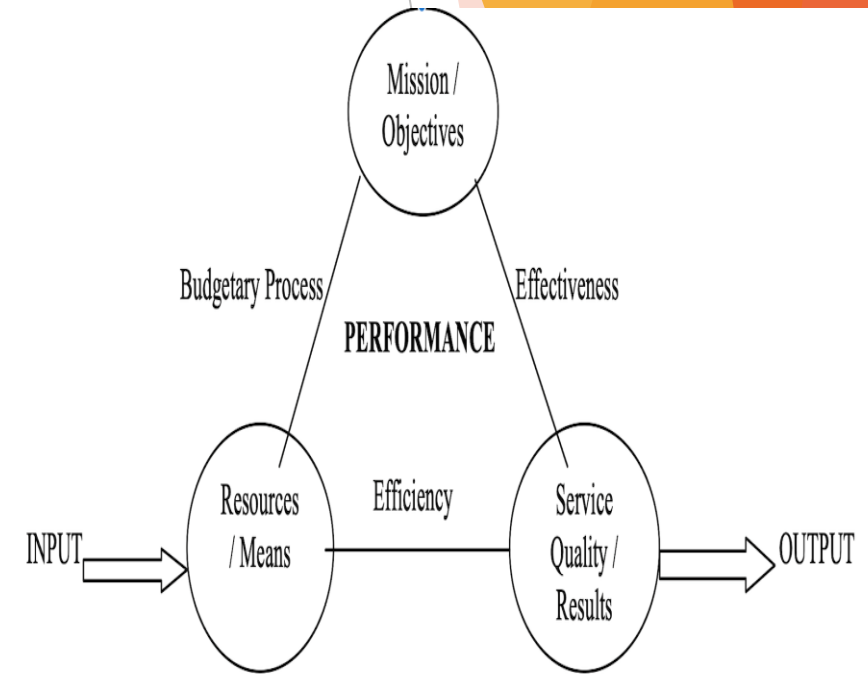


Organization Structure: Culture



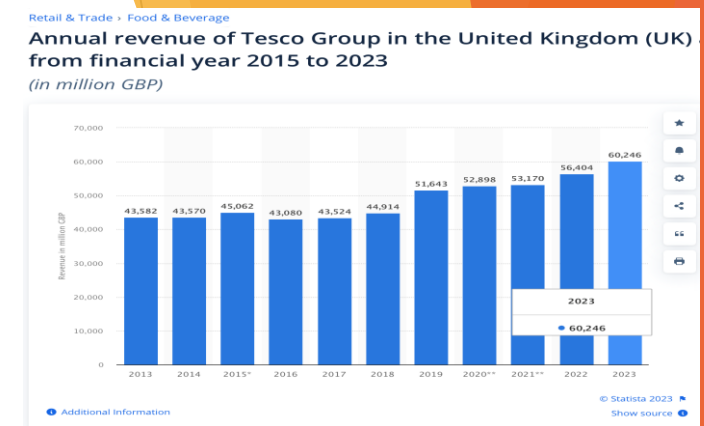
Organisational Structure: Performance

- Performance, according to Matei L. (2006), is;
 - ▶
 - a) the application of an organization's policies,
 - b) attention to target audiences,
 - c) efficient use of resources to produce desired outcomes.



Source: Matei, L., Management public [Public Management] – Second Edition, Economic Publishing House, Bucharest, 2006, page 192

Organisation Structure : Performance



Employs 337,000 people globally, rose to the top of the UK grocery industry in 2021.

It produced income in the UK as well as other nations in Europe and Asia.

Tesco had a profit of 1,249 million during the 2022 fiscal year in the United Kingdom and Ireland

www.statista.com (2023),
www.tescopl.com (2023).

In 2023 with three billion pounds more in sales than the year before.

Tesco commanded a 27% share of the UK grocery market, while the other saw their stock prices fall (Bedford, 2023).

2023 highlights	
Performance highlights	
Group sales ⁽¹⁾	Adjusted diluted EPS ⁽¹⁾⁽²⁾
£57.7bn	21.85p
(2022: £54.8bn)	(0.0)%
Adjusted operating profit ⁽¹⁾⁽²⁾	Retail free cash flow ⁽¹⁾⁽²⁾
£2,630m	£2,133m
(6.9)%	(6.3)%
(2022: £2,825m)	(2022: £2,277m)
Dividend per share	Net debt ⁽¹⁾⁽²⁾
10.90p	£(10,493)m
Unchanged	(0.2)%
(2022: 10.90p)	(2022: £(10,516)m)
UK market share (sales value) ⁽¹⁾	Group net promoter score ⁽¹⁾⁽²⁾
27.3%	15pts
(39)bps	(5)pts
(2022: 27.7%)	(2022: 20pts)
Statutory measures	
Statutory revenue	Operating profit
£65.8bn	£1,525m
(7.2)%	(40.4)%
(2022: £61.3bn)	(2022: £2,560m)
Statutory profit before tax	Statutory diluted EPS
£1,000m	10.08p
(50.8)%	(48.7)%
(2022: £2,033m)	(2022: 19.64p)

3. Tasks and skills a manager uses in Tesco to run the organization

- Tesco uses diverse leadership styles, predominantly transformational, adapting to varied situational demands.
- Kotter's 8-step change model is integral for managing organisational transitions during significant changes such as technology implementations or market expansions (Chen, 2022).
- Financial management involves scrutinising financial statements for example, using ratio analysis for insights into performance, and using Activity-Based Costing for cost allocation based on activities performed.



Tasks and skills a manager uses in Tesco to run the organization

- ▶ Critical managerial skills at Tesco encompass effective communication and negotiation
- ▶ Negotiation strategies such as Fisher and Ury's model are applied for conflict resolution by promoting win-win outcomes and sustaining healthy work relationships.
- ▶ Team building and empowerment form the foundation and Belbin's Team Roles theory guides the formation of well-rounded teams by ensuring diverse skill sets and effective collaboration (Awadari and Kanwal, 2019).

Tasks and skills a manager uses in Tesco to run the organization

- Data analytics plays a pivotal role by leveraging Big Data for customer insights and market trends and utilizing sophisticated analytics tools enables Tesco to personalize offerings and largely improve customer satisfaction (Griffin, 2021).
- E-commerce and digital marketing strategies are pivotal too. So, using omnichannel strategies managers at Tesco, they ensure a seamless customer experience across various platforms such as, A/B testing and analytics tools optimize digital marketing campaigns, maximizing their effectiveness and ROI (Sharma and Gupta, 2022).

4. How leadership theories can be applied on Tesco :The Transactional Theory of Tesco



- ▶ Leadership in our days it's a battle of different strategies to get to the top based on quality of employees and the managerial teams who are responsible for implement their vision, how to select, train, survey, support and encourages every employee.
- ▶ The Transactional Theory:
- ▶ Tesco successful brand because it's developed itself consistently in time and its management is concentrated very much on market needs, their performance is based also on very strict selection of employee and very strong training to be able to help and treat every customer in a very professional manner. When these values of the company or any other policies are broken that subordinate will be immediately replaced and in the same manner employees will be rewarded each time, they will improve services with their attitude and dedication.



How leadership theories can be applied on Tesco : Inspirational Leadership Theory

- ▶ Leaders will inspire employees to dedicate themselves to the success of their company as well as involving in the decision-making process. Controlled performance, setting standards, measuring performance, comparing actual with standards, and taking corrective action if necessary. (David A.Buchanan, Andrej A. Huczynski, Organizational Behavior Chapter 6 Controlled performance).
- ▶ The price of success is hard work, dedication to the job at hand, and the determination that whether we win or lose, we have applied the best of ourselves to take the task at hand. (David A.Buchanan, Andrej A. Huczynski, Organizational Behavior Chapter 1 Explaining organizational behavior).

Inspirational Leadership Theory.



- ▶ Tesco had started this journey in 1919 and had first store in 1929. By now it's almost 100 years of activity translate it: first in experience to start from stall of London and to transform in UK biggest supermarket in 1955. Had a rapid expansion with 500 new stores in next 5 years, in 1958 opened first superstore, in the 90s moto: "Every little help" - became global. (<https://www.tescopl.com/about/our-history/>)
- ▶ The leaders of the company have guide themselves as a policy to keep the workforce happy by giving interesting things to do, chance for every employee to advance, help them by identifying their performance, this managerial policy make the company highly productive and profitable.



Visionary Leadership Theory

- ▶ Visionary method was to create an academy called Tesco Academy to help train its employees into became future leaders by training them to develop leadership, management and technical skills.
Tesco managerial team and employees work together to support and develop the organization.
- ▶ Focusing on long term strategy, they define a continuous plan to grow much stronger every day and to consolidate their position on the market.
- ▶ Everyone from management pursue employee to serve under the same goal and to act like one.

The Theory of Contingencies

- ▶ Tesco colonized the high streets, petrol stations, every corner shops, at the same time another inspirational choice was to bring in superstores different products as toys, clothes and as new groceries they adapt to market paying attention to demand and they bring lot of products from far east and to keep pace with the customers choices.
- ▶ Leaders from Tesco always understood how important is to keep the company on the top in any contingencies and implemented a lot of security measures during Covid.
- ▶ A key organizational capability is the ability to adapt as context, opportunities, and challenges change. To respond effectively to new challenges, we need to focus on next practice. (David A.Buchanan, Andrej A. Huczynski, Organizational Behavior 24 Chapter 1)

It's all stay safe.



Don't enter the store if you have any COVID-19 symptoms



Keep a safe distance



Sanitise hands before and after entering the store



Priority entry for NHS, emergency services and carers

5. Factors which influences group and team behavior

Team and Group Behaviours

- **Importance of Collaboration:** Group and team behaviours are crucial to organizational performance, and successful cooperation is key to accomplishing business objectives.
- **Tesco's Teamwork:** As a huge firm, Tesco relies on teamwork for adaptation, growth, and problem-solving (Awadari and Kanwal, 2019).
- **Efficiency and Alignment:** Teamwork helps Tesco optimize efficiency and align individual contributions with corporate goals, boosting company performance.



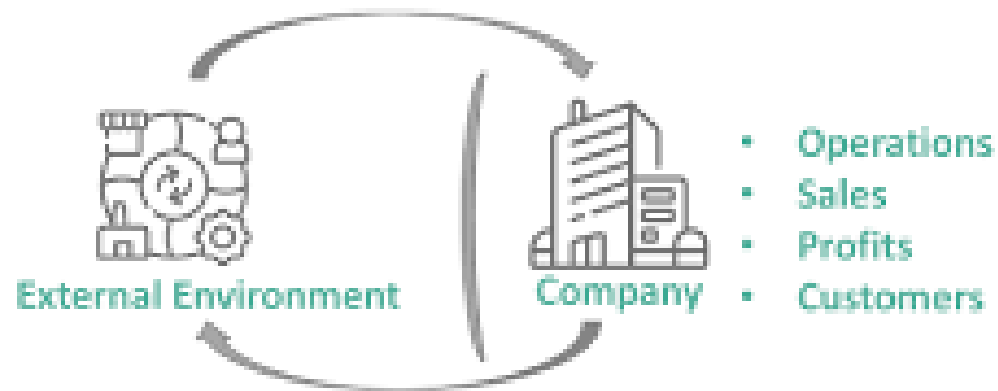
Internal Factors

- **Culture of Cooperation:** Tesco's focus on cooperation and teamwork is essential to employee collaboration.
- **Leadership Impact:** Tesco's different leadership styles shape team communication, decision-making, and cohesiveness.
- **Diversity's Impact:** Tesco's diverse workforce improves problem-solving and creativity, fostering dynamic team interactions and a more imaginative and adaptive organizational culture (Rosnizam et al. 2020). At Tesco, improving group and team behaviours requires understanding these internal factors.



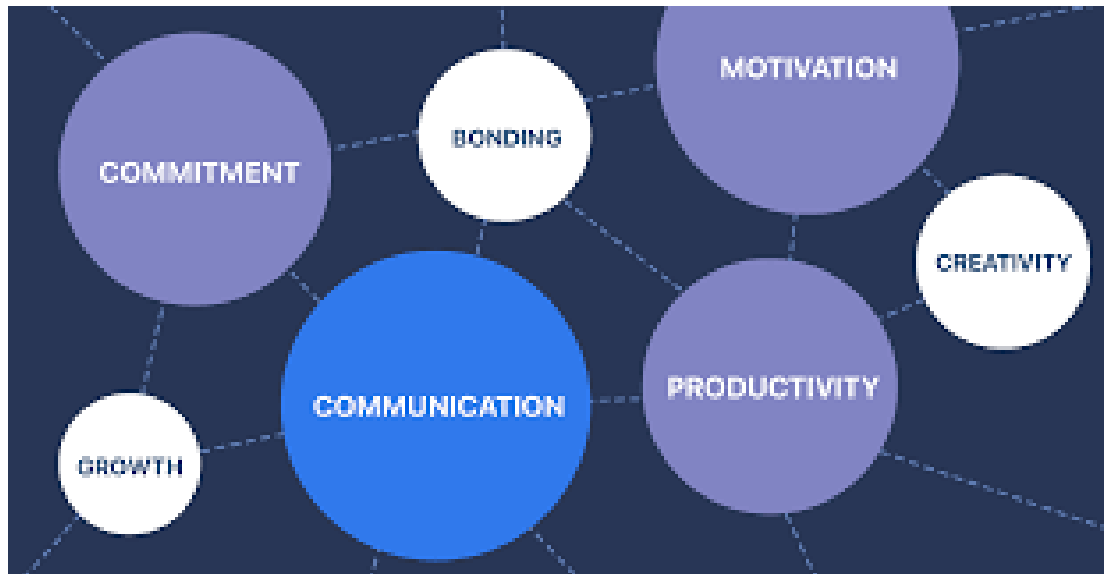
External Factors

External Factors Meaning



- **Market Dynamics Impact:** Market dynamics affect Tesco's strategy and tactics as it competes and adapts to changing market conditions (Sharma, Jain, and Panji, 2022).
- **Economic Adaptability:** Tesco's strategy changes with the economy, affecting team goals.
- **Regulatory Influence:** Compliance and regulatory changes bring external variables that impact team behaviour, forcing Tesco to recognize and react to these aspects to promote adaptive and productive group and team behaviours in a changing corporate environment.

Group and Team Dynamics Improvements



- **Teamwork:** Start team-building events at Tesco to encourage teamwork and collaboration.
- **Improved Communication Tools:** Use innovative communication technology to promote cooperation and information flow in Tesco teams (Patel and Swamy, 2023).
- **Training and Development:** Empower Tesco employees to address different issues via improved cooperation by investing in training and development initiatives.

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