

Importance of workplace culture on organisations.

(BMSW5105-BIRM)

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Introduction

Considered as expresses though values and beliefs, and guiding activity through shared assumptions and group norms, culture in the workplace linked to strategy maintain organizational viability and effectiveness. and if the strategy provides clarity and focus for connective action and decision- making, culture is a tacit social order with norms in a group defining what is encouraged, discouraged, accepted or rejected. So, culture in the workplace tends to interactions between people, adaptability and receptiveness, the change and growth on a professional and personal aspect. Workplace culture allows employees to fit into an organization by giving this one the ability to attract and retain people.

The aim in this topic is to analyse the impact of organizational culture in some companies regarding elements such as innovation and risk taking, outcome-orientation, aggressiveness, team –orientation, attention to details, people –orientation and stability. For this, DHL-Trade team, a company specialised in drink distribution will help us to study in deep this topic.

In the first part we will present and analyse DHL-Trade team, analyse the culture and barriers in the second part and the third part we will focus our reflexion on globalisation on DHL-trade team culture.

1- Presentation and analysis of DHL-Trade team

A - Presentation and characteristics of DHL-trade team

DHL-Trade team is a company specialised in drink distribution and branch of the world's largest logistics society DHL. It was created in 1995 and considered as the first logistics provider dealing with most of the UK's major breweries and pub companies. It has a nationwide network with 600 vehicles and more than 2000 employees across the UK. The company has developed a strategy of continual improvement. Fifty million items are picked every year, including four million wines and spirits cases. For many years and since 2004 DHL-Trade team has invested more than forty million in systems and assets to improve overall services in the purpose to deliver excellent quality service. Recruitment and internal timer training give the opportunity for personal development to all employees according to individual performance.

But sometimes the company is faced to some risks and uncertainties, like this moment of covid 19 pandemic where big losses of profit are noticed pushing the business to put many employees on furlough. As we know making business is to do an activity of production and distribution of services and goods. That is why DHL-Trade team, based in some values has increased its competitive advantage by reducing labour costs, improving customer services and flexibility. So, the company has grown in a short space of time with a turnover of one hundred sixty million per year (DHL-trade team,2020).

B-Analysis of DHL-Trade Team

In this chapter we will examine the various factors affecting the company. this analysis will focus on external factors like political, economic, social, technological, legal and environmental. And for this we will use PESTEL analysis which is a very important framework for businesses such as DHL-Trade team, because it allows to understand better the market environment and how the company can improve continuously and become more productive and efficient. However, it exists more analysis frameworks like the Porter's 5 forces which analyses the sector itself and allows businesses to think about strategy (Porter,1979) by helping them to assess industry attractiveness, the trends affecting

competition and the ways for better success. Porter's 5 forces analysis focuses on five factors such as suppliers, buyers, competitors, substitutes and entrants, and identifying five main sources of competition like bargaining power suppliers, bargaining power of buyers' threats of substitutes and competitive rivalry or competition of existing competitors in the industry.

This PESTEL analysis examines the influence of different external factors and scenarios in the culture of the business and how it can adapt on the macro and external environment (political, economic, technological, environmental, social and legal).

B-1- Political Factor

As a branch of the DHL world leader courier with a business throughout several countries in the world, DHL-Trade team needs its intellectual properties protected by the political laws. In UK competition from other companies in the same sector, such as Drink warehouse, BESCO, Dinks distribution, Euro globe distribution, Drink supermarket online.....would push the company to have more protection by the government and feel safe in more investments. In another side DHL-Trade team must comply to import export restrictions, tariffs and trade policies. Because lot of alcohol drinks and wine drinks come from other countries and taxations can affect the company doing business.

B-2- Economic factor

In this moment of Covid 19 pandemic, many people lost their jobs are frequenting less and less restaurants and pubs which are the main customers of the company. This decreases consequently the business of DHL-Trade team. Also, if the rates are higher the company will be willing to invest and seen that more items are imported from outside and particularly in south American countries, the exchange rate will influence on its profits, because an unstable currency would be a negative factor for growth. Wages can also determine the profits making by DHL-Trade team.

B-3 Social factor.

New lockdown declared by the government and closing pubs, bars and restaurants considered places of socialisation, does not help the company. And this will decrease orders throughout the country and importation from outside countries. Also, DHL-Trade Team needs to understand better the consuming behaviour of the UK population in pubs and bars. Younger people are more inclined to go on pubs and restaurants during the weekend which will increase the business of a drink logistic company like DHL-Trade Team. In another hand

old people go on pubs during the normal days and this needs a demographic analysis to understand better the attitude of the company.

B-4 Technological factor

For several years now DHL-Trade team is investing in new technologies to improve its reliability and speed on goods delivery to maintain the brand image of the company. The business of the company will be increased due to the facility of tracking the shipped product to the customers. This improves the business performance and give to the company an important advantage by creating trust. Social media and network advertising are also necessary for the company to extend and maintain the brand name.

B-5 Legal factor

DHL-Trade team, in all its warehouses, must provide safe work environment to the employees giving them equal opportunities. Indeed, laws for health and safety of employees and those against discrimination should be considered. Without forgotten laws concerning quality standards and consumers protection regarding their security about privacy and data protection regulations.

B-6 Environmental factor

The logistics market makes some companies in the sector to use more vehicles for fast delivery. This increases pollution and DHL-Trade team must pay attention about its used vehicles in its whole supply chain to minimize the bad impact to environment. If not, some environmental defenders will boycott the company by non- respecting and non-doing something to save the planet.

The condition of the weather sometimes impacts the efficiency of a transportation. Bad weather could delay expected delivery dates or may damage some items. This could make some customers unhappy and could lead them to leave the company's services for the benefit of the competitors.

2- Analysis of the culture and barriers of organisational culture of DHL-Trade team.

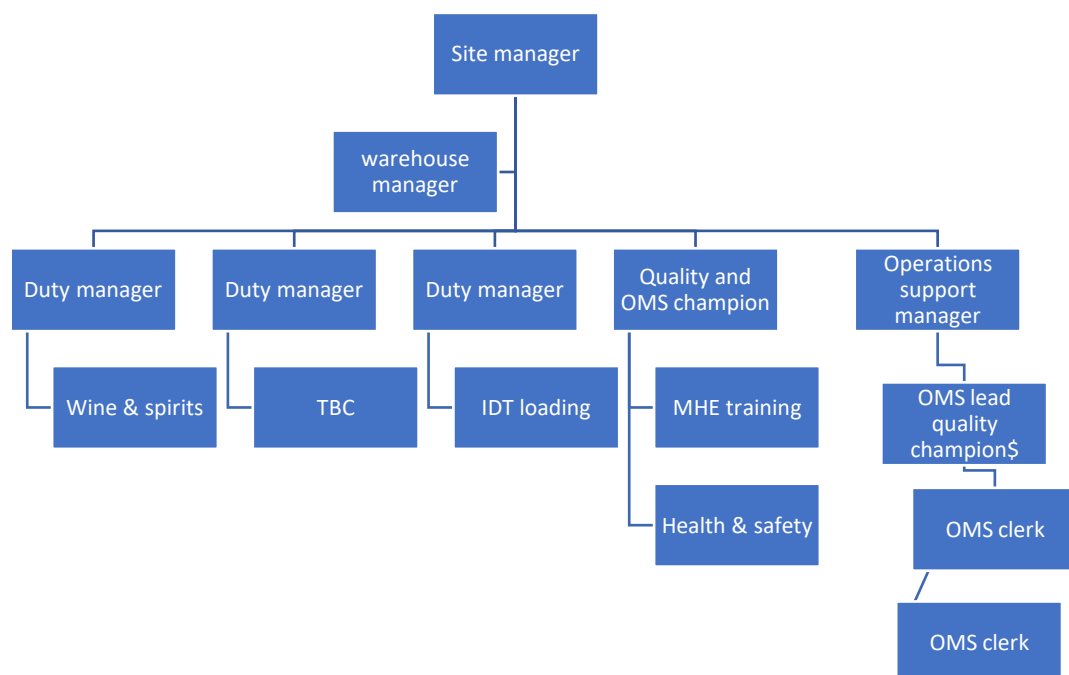
A- Analysis of the culture of DHL- Trade team

In this topic we will use Mackinzeys 7 S to analyse the impact of the various elements by studying the advantages and disadvantages of such model in organisation in general and particularly in DHL-trade team company.

Developed by Robert H. Waterman, Jr and Tom Peters in 1980, the Mackinzeys 7 S framework is a management model with a strategic vision for groups to include businesses, business units and teams. The 7 S's are structure, strategy, skills, style, staff, systems and shared values and must be connected between them to allow organisations to achieve their objectives. This model is applied in many situations and commonly used to facilitate organisational change, to help implement new strategy, to identify how each area may change in the future and to facilitate the growth of organisations.

A-1- Influence of the organisational structure in the culture of DHL-Trade team

According to Mintzberg (1989), organisational structure impacts deeply on how employees think and behave within an organisation and how it allows companies to share information between different levels of command. Several types of structures are used by organisations to manage their business: functional, divisional, matrix, flat.... Regarding DHL-Trade team, the organisational structure is more hierarchical and functional. That is why we have this chart of structure below:



This structure enables employees grouped by the core duties of their role, to be productive and efficient by sharing similar knowledge they can learn one from another, grow their skills and having direct communication channels with managers

But sometimes the warehouse is facing at a non-interdepartmental coordination which affect deliveries. And doing every day the same job can lead to monotony causing loss of motivation and engagement. In effect, performance in functional structure can be affected by the time it takes for the flow of communication to circulate through the different level of the hierarchy making the company very slow to adapt itself to new external environment changes (essay UK,2018).

A-2- organisational strategy in DHL-Trade team

Organisational strategy is considered as a plan developed to take in account the probable behaviour of customers, competitors and employees, to achieve competitive advantage and successfully compete in the market.

That is why since 2004 DHL-trade team has pursued a proactive strategy of continual improvement. And to attain more of the organisation goals, managers have defined three key points in the company strategy: recruiting the right people for the right job, putting customer needs first through the development of tailored services and investing in systems and assets to improve overall service and efficiency.

But to become valid and implemented the human aspect needs to be considered and require more engagement, awareness and support from the organisational members (Reid,1989).

A-3- Systems developed by DHL-Trade team

Systems in organisations are a set of interrelated activities, processes and procedures in order to achieve the company objectives.

In this way DHL-trade team has invested in order management system called “AURORA” which is a valuable tool in the assessment of the profit and sales performance of every outlet by providing full visibility of orders and delivery.

A transport management system (TMS) has been developed to reflect the specialist requirements of the drinks industry and provides important information on transport crew

activity. TMS delivers consistency in service to all end users by resolving issues throughout structured de-brief, tracking and monitoring of overall transport performance.

Trade Team warehouse management systems (WMS) is an advanced technology and operating process designed to merge computer hardware, software and peripheral equipment to manage inventory, space, labour and capital equipment to increase competitiveness, flexibility and responsiveness.

A-4- Skills at DHL- Trade Team

Skills are the abilities, capabilities and competences that allows employees to perform in everyday tasks. The company has created a training school called “Excellence School” to enable employees to gain skills they need to perform their duties, to develop knowledge and efficiency according to the goals of the organisation. So, technical or technology training, quality training, team training... are conducted to build core learning abilities in DHL-Trade Team. However, there are some training needed and not provided like for example professional and legal training allowing employees to understand better laws relating to their industry and soft skills training referring to personality traits, communication and personal habits used to socialise with other people.

A-5- Staff

To run its business, DHL-Trade Team recruits different employees from everywhere; drivers, loaders, pickers, clerks, managers.... engaged in tasks that provide support for the different work lines. The company has an industry nationwide network with more than two thousand employees recruited, trained, motivated and rewarded to improve productivity and efficiency after acquiring skills to progress in their career and help organisation to face competition.

But DHL-Trade Team needs more staff to avoid employees doing extra time job to reach the target.

A-6- Style

As we know management consists of the planning, prioritising and organising work efforts to accomplish objectives within a business organisation. So, a management style represents the way the company is managed by top-level manager and how they exercise authority. And this management styles vary by company and by level of management. In this way DHL-Trade Team has implemented an organisational

management system (OMS) to apply continuous improvement methodologies to improve processes and people, to develop standardized work and implements an on-the-job training program, to set the right lean organisation that delivers and engage people, and at the end to implement methodologies and tools to plan and measure performance.

A-7- Shared values

Respect and results, openness, integrity and sense of responsibility are shared values, norms and standards that guide employee's behaviour and company actions and are the constant focus for DHL-Trade Team with economic, environmental and social challenges. Indeed, employees share common work attitudes and principles by building a feeling camaraderie and a shared interest in success and by aligning personal values with the organisation and the work they are performing

But, in the company we notice that longstanding employees who have been here for many years, tend to have less engagement due to the absence of shared values than new recruiting people.

B- Barriers on effective functioning of DHL-Trade-Team

As we know employees play an essential role in organisational productivity and growth and allow many companies to meet challenging outcomes. But sometimes organisational performance could face several barriers or challenges which affect the company to reach the excellence required. And DHL-Trade Team is faced with some barriers for the effective functioning of its culture. In the analysis of this topic, different theories related to organisational performance will help us to understand better those barriers and how to overcome them.

Regarding the theories, we have the Organisational Health Index (OHI) like Mckinzeys OHI which measures and tracks the organisational elements that drive performance. We have also the Hennis Freeman's theory developed by Michael T. Hennis and John Freeman who think that organisational effectiveness depends on its operating environment. Finally, we have the Beer's silent barriers developed by Michael Beer and that we are going to use to identify some barriers affecting DHL-Trade team in its functioning. According to Beer (2000), there are six common barriers called also silent killers which tend to stop companies to achieve high performance: an ineffective senior team, an unclear strategy, conflicting priorities, low trust among teams, a hands-off

leadership style, poor leadership and a poor vertical communication. Some of these silent barriers could be detected in DHL- Trade team throughout the lack of coordination between departments, the lack of support between different members of the organisation, the lack of certain skills due to the absence of training in specific domains. Also, overcharge of work due to lack of staff and impacting deliveries and absence of shared values conducting to less engagement.

However, DHL-Trade team's leaders can overcome those barriers and succeed by facing them first and engaging conversation with people about the causes and by developing good strategy and realigning the structure systems, by developing the leadership behaviour, management processes, culture and values and human resource policies.

3- Globalisation on DHL-Trade team culture

Globalisation is considered as the process of interaction and integration among people, companies and governments worldwide. This process allows businesses and organisations to develop international influence or start operating on an international scale. This means that the world is becoming interconnected through the trade and culture exchange by creating a greater dependence on the global economy and free movement of capital, goods and services. Globalisation is facilitated by improvements in transportation and the decrease of the cost allowing people and goods to travel more quickly, the freedom of trade between countries promoted by the world trade organisation (WTO) which helps to remove barriers, improvement of communication between people in different countries due to the development of internet and mobile technology and finally the labour availability and skills in all around the world.

A- Impact of globalisation in DHL- Trade team culture

The changing and evolving conditions of the global market push some companies to have good organisational culture to gain competitive advantage by identifying its needs and knowing well the market it operates in. Defined as pattern of shared basic assumptions amongst a group (Shein, 2004), organisations need to adapt their culture to the national culture where the company is located. In this way, many decisions in DHL- Trade team may impact the company on its recruitment, its socialisation, orientation, training and motivation... and to ensure that there is a fit between individuals and DHL- Trade team culture. And that is why Hofstede (2011) think that the national culture and

values of employees have a significant impact on organisation's culture. Throughout his theory of dimensions of national culture, Hofstede refers to power distance correlated with income inequality, individuals correlated with national wealth, masculinity related to the percentage of national income spent on social security, uncertainty avoidance associated with the legal obligations and long term versus short term-orientation related to the choice of focus for people's efforts.

As a branch of a multinational, DHL-Trade team is impacted by external factors affecting its staff and its practises and must adapt and diversify its sourcing from suppliers for example if UK government could not find a trade deal with European Union after the Brexit deadline with new unexpected trade tariffs. Or if the Covid 19 pandemic continue to rise in countries where imported lot of distributed products.

B-Impact of globalisation in DHL-Trade team functioning

Globalisation impacts also the way managements actions and decisions are taken in some companies like DHL-Trade team. This has created different points of view between pros and cons of globalisation effects in the functioning of organisations.

For some people, globalisation affects working relationships between employees and leaders coming from different native language by sharing universal values such as respect for individual, reliability, partnership and continuous development. And this can be noticed in DHL- Trade team where we have a connection and an identification with the values of the company. Also, globalisation affects the day-to-day treatment staff and work-life balance throughout organisations policies and habits and by making more flexibility and greater use of tools of communication.

However, some people think that working in global business means that management is facing more competition in a new large market but also customs and standards of the country the company is implemented.

Conclusion

During all this study we tried to analyse how important was the culture in organisation throughout the example of DHL-Trade team by focusing on external factors impacting its efficiency and its success and how organisational culture, using the Mackinsey's 7 S model can influence development and effectiveness. How barriers can be avoided for an effective functioning and how globalisation may impact organisational culture and management.

At the end we can say that defining company's internal and external identity, reflecting company's core values, celebrating individual and team successes and impacting performance and employee wellbeing, culture is and remains one of the most important aspects in the running of a good organisation.

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