



M&S ORGANISATIONAL STRUCTURE

MODULE NAME: ORGANISATIONAL STRUCTURE AND CULTURE

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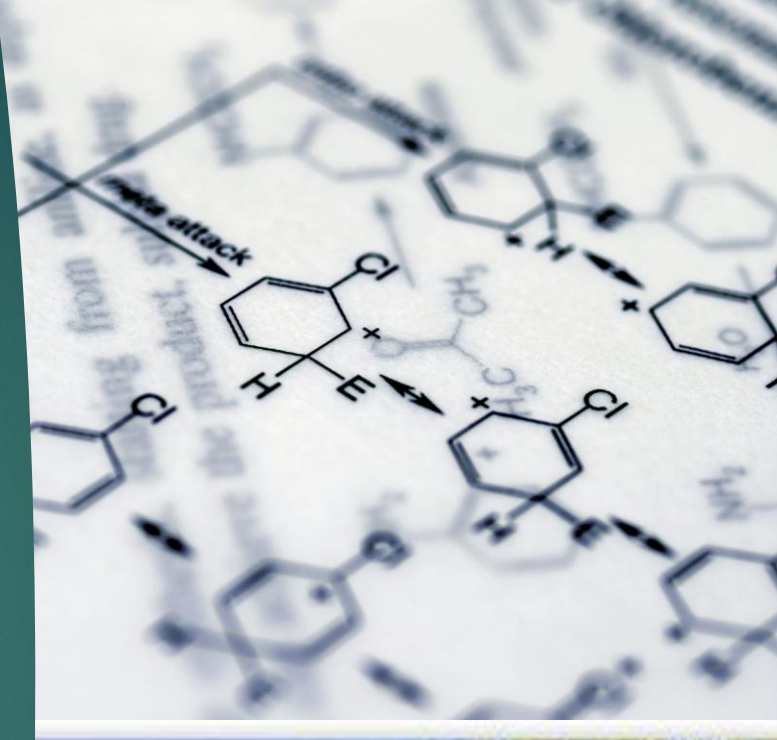
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Outline

- ▶ ORGANISATIONAL STRUCTURE
- ▶ IMPORTANCE
- ▶ FUNCTIONAL STRUCTURE
- ▶ DIVISIONAL STRUCTURE
- ▶ MATRIX STRUCTURE
- ▶ RECOMMENDATION FOR M&S
- ▶ CONCLUSION





Organisational Structure

- ▶ Promotes expertise and professional skill development within departments.
- ▶ Increases operational efficiency through specialised roles.
- ▶ May create departmental silos, limiting collaboration.
- ▶ Can reduce communication between different functions.
- ▶ Advantages
 - ▶ Greater specialisation
 - ▶ Improved efficiency
 - ▶ Clear reporting lines
- ▶ Disadvantages
 - ▶ Departmental silos
 - ▶ Reduced communication between departments
- ▶ **Reference:** Daft (2021)

Functional Structure

▶ Key Points

- ▶ Specialist functions group employees.
- ▶ Departments include Marketing, Finance, HR, Operations, and IT.
- ▶ Builds expertise within each department.
- ▶ Creates clear reporting lines and responsibilities.

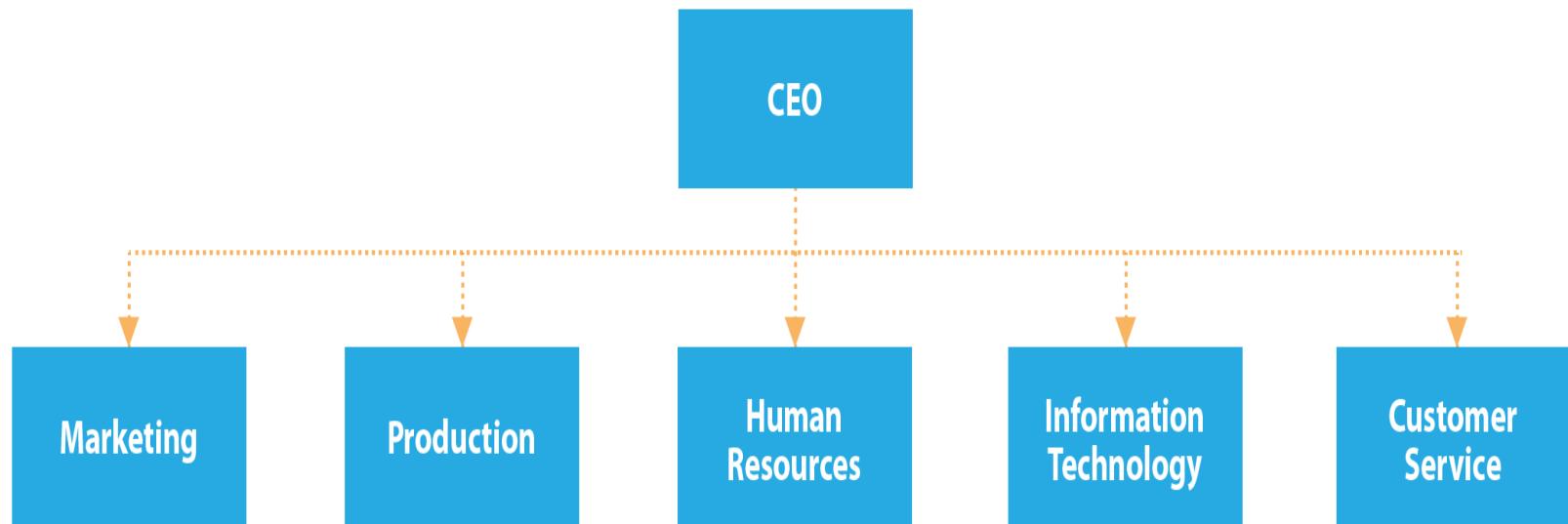
▶ Advantages

- ▶ ✓ Specialist knowledge and skills
- ▶ ✓ Higher operational efficiency
- ▶ ✓ Clear management structure
- ▶ ✓ Better training and career development

▶ Disadvantages

- ▶ ✗ Departments may work in silos
- ▶ ✗ Limited communication between teams
- ▶ ✗ Slower collaboration across functions
- ▶ ✗ Conflicts between departmental objectives
- ▶ Reference: Daft, R. L. (2021). Organisation Theory and Design.

FUNCTIONAL STRUCTURE CHART



A background image showing a blurred scene of business professionals in a meeting. One person is holding a smartphone, and another is pointing at a tablet displaying a chart. A white coffee cup is also visible on the table.

Divisional Structure

Key Points

- Organises business activities by product, service, or market.
- Major divisions include **Food, Clothing & Home**, and **International Operations**.
- Enables focus on specific customer needs and market conditions.
- Improves accountability for divisional performance.

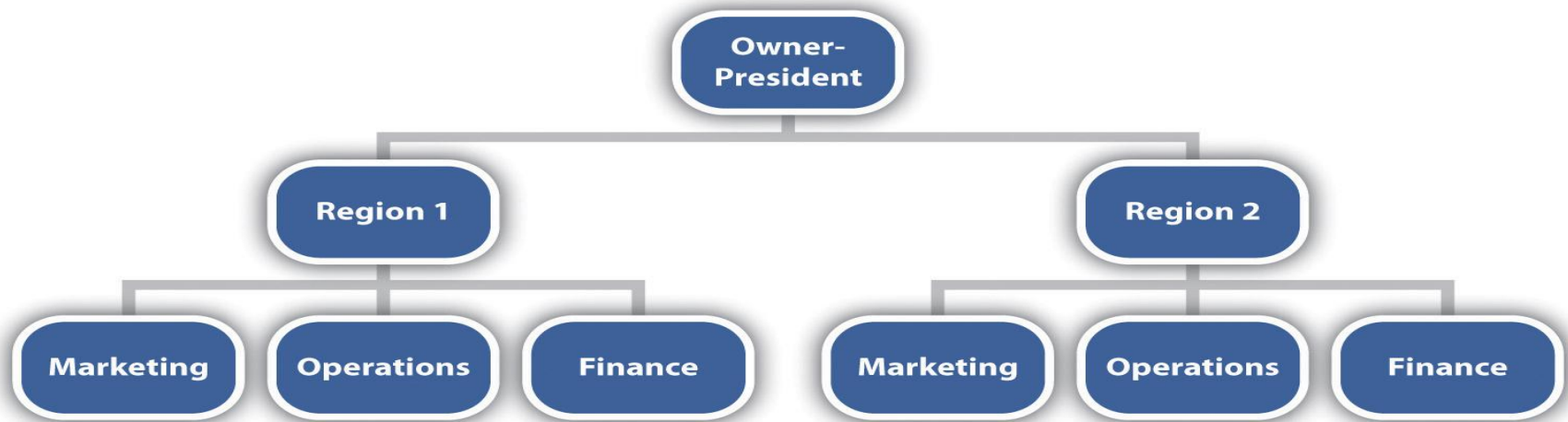
Advantages

- ✓ Strong customer focus
- ✓ Faster decision-making
- ✓ Higher accountability

Disadvantages

- ✗ Resource duplication
- ✗ Increased operating expenses
- ✗ Divisional inconsistency

Reference: Marks & Spencer Group plc (2025).



DIVISIONAL STRUCTURE CHART

Matrix Structure

Key Points

- Combines **functional** and **divisional** structures.
- Employees report to both a **functional manager** and a **project/divisional manager**.
- Encourages teamwork and collaboration across departments.
- Improves resource sharing and innovation.

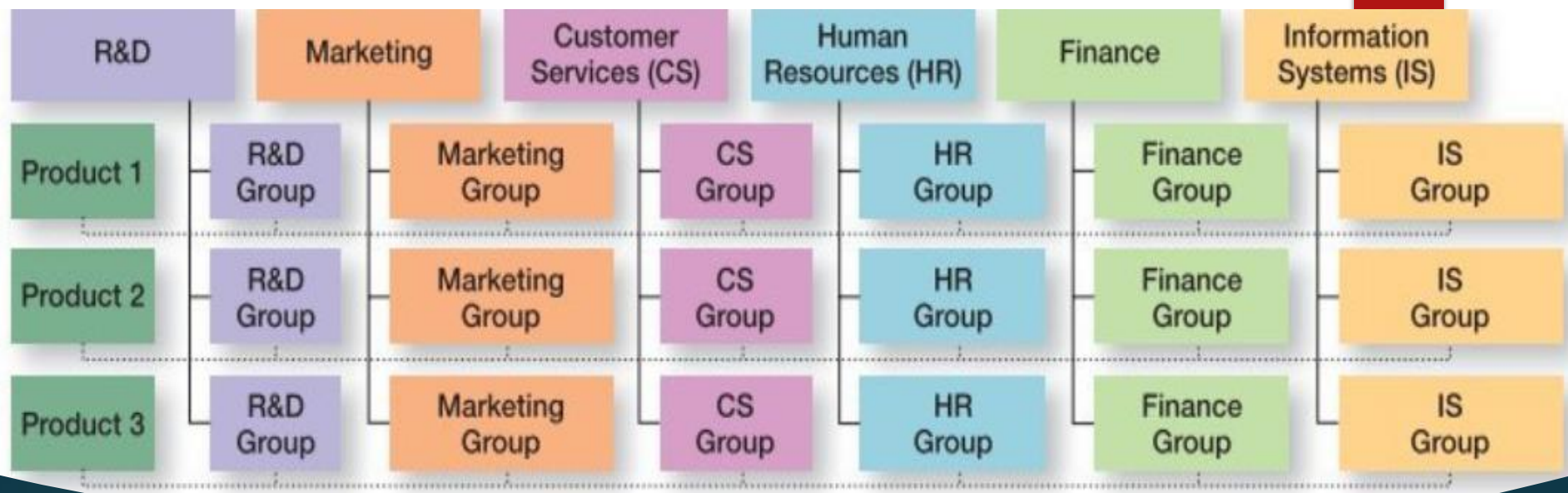
Advantages

- ✓ Greater flexibility
- ✓ Improved teamwork
- ✓ Better use of resources

Disadvantages

- ✗ Complex reporting relationships
- ✗ Possible role conflicts
- ✗ More difficult to manage

Reference: Robbins, S. P., & Judge, T. A. (2022). *Organisational Behaviour*.



MATRIX STRUCTURE CHART

Criteria	Functional Structure	Divisional Structure	Matrix Structure
Basis of Grouping	Departments (Finance, HR, Marketing, Operations)	Products, services, or markets	Combination of functions and projects/divisions
Main Strength	High efficiency and specialisation	Strong customer and product focus	Flexibility and collaboration
Decision-Making	Centralised	Decentralised within divisions	Shared between managers
Communication	Mainly within departments	Within divisions	Across departments and projects
Accountability	Functional managers	Divisional managers	Shared responsibility
Resource Use	Efficient use of specialists	Resources may be duplicated	Resources shared across projects
Main Disadvantage	Departmental silos	Duplication of resources	Complex reporting relationships
Best Suited For	Stable organisations with specialised tasks	Large organisations with multiple products or markets	Dynamic organisations requiring innovation and teamwork

No organisational structure is perfect. The most effective structure depends on organisational size, strategy and business environment. Many large organisations adopt a hybrid approach by combining different structural elements to improve performance and adaptability (Daft, 2021; Robbins and Judge, 2022).

Best Structure for Marks & Spencer

A divisional structure supported by matrix elements appears to be the most suitable organisational design for Marks & Spencer. The company manages multiple business divisions that require independent strategic decision-making while also relying on collaboration between functions such as marketing, finance, digital technology and supply chain management. Marks & Spencer's governance framework highlights the importance of coordination between leadership teams and business functions, making a hybrid divisional-matrix structure particularly effective (*Marks & Spencer Group plc, 2025*).

Why This Structure Works for M&S

- Supports multiple business divisions
- Improves customer responsiveness
- Encourages innovation
- Enhances coordination across departments
- Supports long-term growth



Conclusion

- ▶ Organisational structure plays an important role in communication, coordination and organisational performance.
- ▶ A **functional structure** improves efficiency by grouping employees according to specialist skills and expertise (Daft, 2021).
- ▶ A **divisional structure** increases responsiveness by allowing business units to focus on specific products, services and customer needs (Marks & Spencer Group plc, 2025).
- ▶ A **matrix structure** encourages collaboration and flexibility through cross-functional working relationships (Robbins and Judge, 2022).
- ▶ Marks & Spencer benefits most from a **divisional structure supported by matrix elements**, enabling both business-unit accountability and cross-functional collaboration (Marks & Spencer Group plc, 2025).
- ▶ This structure supports innovation, customer focus and sustainable business growth in a competitive retail environment (Daft, 2021; Marks & Spencer Group plc, 2025).



References

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