



University of Wales Trinity Saint David

ASSIGNMENT

Introducing the Modern Workplace

(LCBB4003)

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Introduction

Retail industry in the United Kingdom is dominated by a few supermarket companies. Tesco is one of those market leaders in the UK, holding 28% of the market share. It was established in 1919 by Jack Cohen, its headquarters are based in Hertfordshire, United Kingdom. The organisation has around 7000 shops across Europe and Asia, providing one of its main services groceries products but also in 1997 introducing financial services- Tesco Bank. Tesco is a multinational company developing all across the world. In this essay it would discuss the company cultural history along with the great leadership provided to its employees. Tesco outstanding management system will also be outlined.

Structure of Tesco

The organization has been identified as hierarchical structure as the most useful as the organization is large and this structure allows the evaluation of different departments in the company. The hierarchical structure allows the focus on different sections of the organization.

Culture of Tesco

Tesco culture is to ensure that the employees, shareholders and customers are involved in the organization development process. This is a fundamental factor which builds trust. Therefore the cultural factor of the organization is most important in order to ensure employees as well as customers are being valued and satisfied, in return for which the company will build loyalty and stakeholder would act towards the well being of the company. Tesco is an employee-owned organisation, as it allows employees to be involved in the innovation process providing them with higher power. It also establishes a path for personal growth such as from sales assistant to manager. This culture of Tesco will help to develop growth in profit as employees will provide high quality products to customers, due to higher motivation leading to increase in loyalty and turnover. (Elton Mayo, 1880–1949)

People of Tesco

The cultural factor mentioned above will ensure employees interact with the client. Therefore the workers are key signified to the organisation success. Tesco employees are from many internationals sharing different cultures and beliefs. The

organisation culture which is involved in the management system of Tesco ensures all employees are being introduced to each other in order to build strong relationships and communicate effectively. As Mayo had argued the usefulness of two ways communication has been adopted by Tesco, as this would help workers to understand the truth value for the company, which would lead to greater team working.

Organizational Performance of Tesco

The implications of all the factors mentioned above such as employees, clients and their cultures will ensure the organizational performance of Tesco is working successfully. This will help Tesco to meet its objectives and goals, but also to build loyalty within an organisation. As by investing in employees may cost a lot of capital, but it will be rewarded with high quality products and boost their productivity.

Analysis of the Relationship

The evaluation of the relationship between the factors mentioned above could be established by the progress of Tesco. This is mainly important in the retail sector because companies such as Tesco provide products and services which are essential to the customer such as food, household products and financial services. Tesco is a customer-oriented company therefore both management and employees need to ensure that customers needs and wants are always met. In order to ensure the stability and success of the organisation, Tesco has implemented theories which were useful. Including application of motivational theory and democratic leadership within the company, in order to allow stakeholders to be part of the company and engage in the innovation process. Some would argue financial and personal security is the factor which motivates employees the highest. However Maslow argues the health and safety of the workers comes at first place. The safety needs according to the Maslow hierarchy refers to protection and security provided to workers. This is why Tesco has introduced various types of management system; an example of it is the Human resource management. This management system provides protection and security of employees rights but it also encourage workers to build teamwork and trust among each other, which would lead to process running smoothly..Therefore as

argued by Maslow and adopted by Tesco if hierarchy of needs is met the strong relationship between company and employees would lead to satisfaction of customers needs and increasing of company success and develop the financial outcome..Abraham Maslow (1943, 1954)

From Basic to More Complex Needs



Figure 1: Maslow's Hierarchy of Needs

Nature of managerial work within Tesco

The nature of managerial work within Tesco is based on factors such as expansions across Europe and outside Europe, customer satisfaction, employees motivation etc.

1. Expansions: This is a vital identity for the nature of management of Tesco. The company was first established in 1919 as a stand management, but with the progress made in 1939 the organisation has opened 100 stores in Britain. Since 1990 the company has started a development globally, leading it to a higher market position with around 7000 stores globally, with a higher level of international workers.
2. Customer satisfaction. - This is seen as the major important role of the company as customers are vital for the progress of Tesco. In a competitive industry which Tesco operates in, the most important part is to build customer loyalty, therefore all the products introduced in the market as well as the hard

labour done by its employees is done to satisfy the customers. Tesco serves its customers both through online and offline facilities. Millions of customers are mainly attracted to Tesco because of its goal for customer satisfaction.

3. Profit: Tesco is a profit- making company, therefore they all depend upon the turnover they make in order to serve the needs of both its customers and its employees. The higher level of innovation and management is done in order to maintain the profit at a high level. The success of the company shows they hold the third largest gross revenue in the world and in 2019 the company made a revenue of £64 billions. By this they hold high positions on the market.
4. Affordability: Retail industry became more competitive recently since the introduction of some of the more affordable companies such as Lidl and Aldi. Tesco wants to interact with customers from all financial classes. They offer products with different types of price in order to provide a wider range of prices to the customers, so they could make the decision according to their needs. They produce high quality products at reasonable prices.
5. Service business: The company has expanded into other products such as retail banking and Tesco mobile.

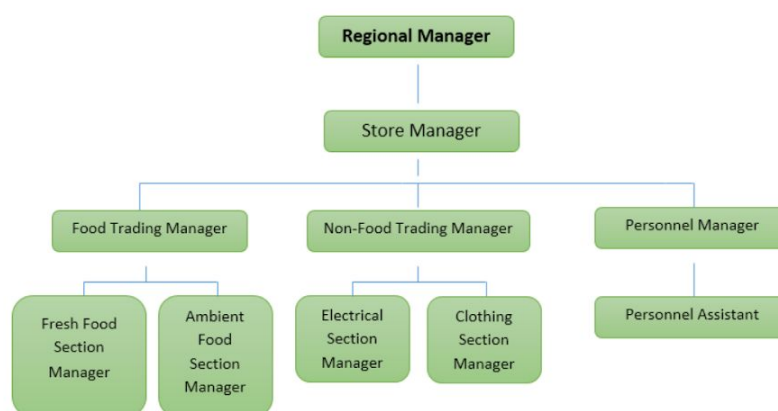


Figure 2: Tesco organizational structure

Role of leadership

1. Direction: Management and leader shows the right direction of the company in order to maintain and perform jobs which would lead to achieving company goals.
2. Motivation: Motivation is an important part in achieving company objectives. Top management of the company plays an important role in motivating its staff towards the achievement of goals set by the company. As is a human thing to be demotivated from time to time, management of the company is responsible for motivating the employees in order to finish their task set. This could be through different ways- financial or non financial. Such as Tesco motivates its employees by rewarding them with free shares after one year of service. This would boost employee morale and motivation mainly because their performance would bring them financial help.
3. Human resource: Training of an employee could be very costly for the company. Tesco has around 450000 employees. However leaders provide training for everyone when it is needed, this boosts the loyalty employees have as the company shows the worker they are being valued by investing in them.
4. Organisational: Leaders of the company organise time slots for everyone to achieve experience to the use of different machines when needed. They also organize the rotation of employees in different departments in order to achieve different knowledge.
5. Technical support: Leaders are responsible to provide any technical support when needed in order to solve any technical problems which arise when performing the job. This should be done as quickly as possible in order to avoid the reduction of work.
6. Social responsibility: Responsible for society has boosted its awareness among the public. Therefore leaders are responsible for making sure that the company follows social responsibility. Tesco has been setting social responsibility goals and by 2050 they should be reducing its carbon footprint. Leaders are responsible for maintaining a plan to their team on how to reduce

the carbon footprint. Tesco allows its employees to contribute to discussions regarding this plan.

7. Utilization: Leaders are responsible for the utilization level of their business, therefore they should be prepared in times for lockdown, to have a team which could continue the work to be performed.

Variables for effective management and leadership :

The variables for effective management are listed below:

1. Time: Planned and effective use of time is crucial for progress of management
2. People: Selection of the right people is crucial for effective management, especially for companies like Tesco which are strongly dependent on people.
3. Process: Management should be able to identify the right process for the company in order to keep the company growing. Companies like Tesco should be able to identify the right process of work for its employees.
4. Risk management: Management is dependent on the risk management as they should always be able to measure the risk a company could take. Such as Tesco was able to measure the risk when deciding whenever to invest in new projects as retail banking. The greater the risk the greater the financial impact is likely to have on the company this could be both positive and negative.

Variable for effective leadership are listed below:

1. Characteristics of the stakeholders: Employees of the company should always follow the roles of the leader. There should always be two ways of communication between the leaders and stakeholders in order to maintain progressive workplace.
2. Characteristics of the leader: Leaders should always be able to lead the team and to have impact on them.
3. Characteristics of the circumstances: Leaders should always be able to determine the outcome of the circumstances in order to avoid complicated

outcomes. Circumstances of an act should always be positive on both sides, as long as it is in the best interest of the company.

Evaluation of the Behavioural Approach

The main fundamental factor which is focused by Tesco is the relationship factor. The company is huge focused on the operational process and its employees. The organisation implements some of the approaches in order to ensure the operational process within their organisation runs smoothly. Tesco believes this smoothness in organisation could be achieved by connecting with their employees and offering them to share their point of view regarding the progress of the company.

The behavioural approach ensures that the relationship factor between their stakeholders is strong. By implementing the behavioral approach management focuses on the relationship between the well being of the employees and humans, rather than setting a task and expecting to be performed. As argued by McGregor Theory if management provides the right condition to its employees they would see the creativity of its employees. The adoption of behavioural style of management creates a workplace where employees are motivated to work. (Mattison et al., 2018)

The behavioural approach would not only positive employees but it management as well because they would be able to establish and assess the negative and positive factors of their employees. This factor would help the management to provide the right conditions to its workers.

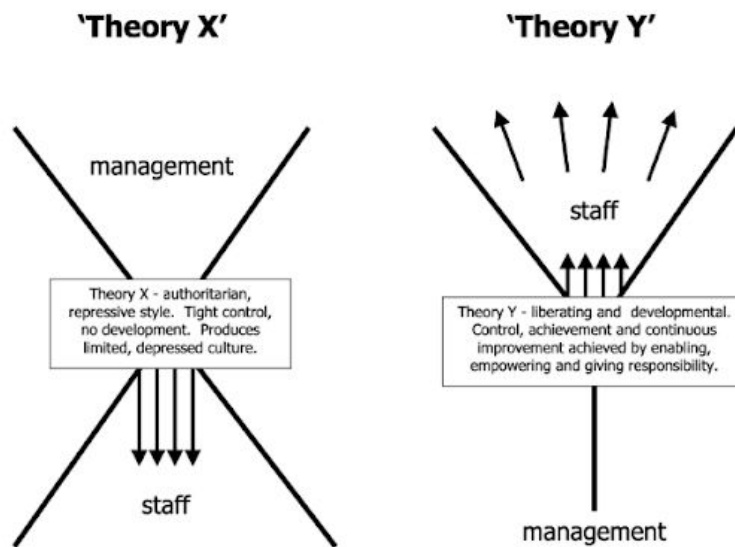


Figure 3 McGregor Theory Y

Factors that affect the behaviour of different Individuals

There are a number of different factors which affect the behaviour of individuals, which would be discussed below. Examples of those factors could be organizational behaviour factor, personal factor and environmental factor.

1. Organizational factor- In order words it could simply be said the organizational behaviour towards its employees affect the behaviour of individuals. This could be an example of the physical facilities provided by employers to their workers. As Maslow argues, employers provide the basic human needs that would motivate employees to perform better jobs. Leadership is another act which affects individuals behavior as if workers face difficulties with the leadership power within an organization this is likely to cause negative outcomes on their performance. (Abraham Maslow 1943)
2. Personal factor- This factor is divided into two categories. The first factor is the biographical factor which implies that every human being has some characteristics are are inherited, but also learned factor which indicate with the environment interactions there could be relative change in the individual

behavior which would be permanently. The other factor is the physical characteristics of individuals which are defined as slim people are expected to dress well. The age factor causes judgements in the sector very often.

3. Environmental factors- These factors include the level of economic stability. As individual behaviour is established to change when the economy is more stable such as high level of employment, higher level of wages, individual and technological development and social factors. As Taylor argues, people are mainly motivated by money. (Frederick Winslow Taylor 1856 to 1915)

Conclusion

Tesco contributed to economic growth and stability by reducing the number of unemployment. Provides opportunities for all. The company currently employs more than 500000 people across the world. Tesco works hard towards satisfying its customers and stakeholders, and providing demand for everyone. Mainly the company is looking after its customers and as BBC advice in this uncertain time they are planning to open new stores for NHS staff which would lead to more people being employed. To conclude the company has built its loyalty to both customers and employees.

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Appendices:

1. UK Retail Market share

