

Traditional and Modern Management at ASDA: A Critical Evaluation Using Fayol's Framework

- ▶ MODULE NAME : INTRODUCTION TO LEADERSHIP & MANAGEMENT
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Name	Work allocated
Repon	Introduction and ASDA overview: introduce Henri Fayol's five functions and give a short background of ASDA as one of Britain's leading retailers serving more than 18 million customers each week.
Mahmod	Planning and organising: explain planning as setting objectives and preparing actions, and organising as arranging people and resources in ASDA's stores, online services, and depots.
Lazeni	Commanding and coordinating: explain commanding as leading and directing employees, and coordinating as making sure departments and activities work together effectively.
Vasille	Controlling, conclusion, and final editing: explain controlling as checking performance against plans, then complete the conclusion and review the final slide design, spelling, and order.

Group Work Allocation – ASDA Presentation Using Henri Fayol's Five Functions

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Introduction to ASDA

- ▶ ASDA is a major UK supermarket headquartered in Leeds .
- ▶ Serves over **18 million customers weekly** (ASDA, 2026).
- ▶ Employs around **150,000 colleagues**, making it one of the largest UK employers (ASDA, 2026).
- ▶ Operates through physical stores, online platforms, and delivery services.
- ▶ Owned by the Issa brothers and TDR Capital .
- ▶ Effective management is essential due to its large workforce and complex operations.



Henry Fayol's Management Functions

These functions provide a foundation for modern management but require adaptation in digital businesses.

- ▶ Fayol (1949) introduced five key functions of management: **Planning, Organising, Leading, Coordinating, Controlling**
- ▶ These functions provide a structured approach to management decision-making.
- ▶ Although developed in the past, these functions remain relevant today but require adaptation in modern digital organisations (Robbins and Coulter, 2021).



Source: Adapted from Fayol (1949), *General and Industrial Management*, and Robbins & Coulter (2021), *Management*.

Planning at ASDA

- ▶ Uses data analytics to forecast demand
- ▶ Analyses past sales trends
- ▶ Plans budgeting, supply chain, and pricing strategies
- ▶ Applies **Rollback pricing** to remain competitive
- ▶ Plans home delivery and Click & Collect capacity during peak seasons
- ▶ Reflects Fayol's idea of setting objectives and planning ahead (Robbins and Coulter, 2021)
- ▶ Improves efficiency and cost control (Daft, 2021)
- ▶ However, reliance on data may reduce flexibility in uncertain situations



Planning → Achieving Goals

- ▶ Planning aligns organisational goals with employee targets
- ▶ Supports smooth supply chain and customer satisfaction
- ▶ Increases operational efficiency and profitability
- ▶ However, too much reliance on data reduces flexibility (Daft, 2021)
- ▶  **5-Year Impact:**
- ▶ Expands online and delivery services
- ▶ Improves market share and customer loyalty
- ▶ Supports long-term growth and competitive advantage (Robbins and Coulter, 2021)



Organising at ASDA

- ▶ ASDA uses a **hierarchical structure** with clear roles and responsibilities
- ▶ Departments include **HR, logistics, marketing, and finance**
- ▶ Coordinates operations across **stores, warehouses, and online platforms**
- ▶ Uses **distribution centres and logistics networks** to manage stock efficiently
- ▶ Reflects Fayol's idea of allocating resources and structuring the organisation effectively (Robbins and Coulter, 2021)
- ▶ Improves efficiency, accountability, and coordination
- ▶ However, hierarchical structures may slow decision-making in fast-changing environments (Burnes, 2020)



Leading / Commanding at ASDA

- ▶ Managers motivate employees through **training, teamwork, and performance feedback** (Schermerhorn and Bachrach, 2020)
- ▶ Focus on **employee engagement, inclusion, and diversity**
- ▶ Leaders ensure high standards of **customer service across stores and online platforms**
- ▶ Managers guide staff to achieve organisational goals, reflecting Fayol's concept of **leading (commanding)**
- ▶ Strong leadership improves **employee performance and customer satisfaction**
- ▶ However, different leadership styles may lead to **inconsistent management across stores** (Burnes, 2020)



A photograph of the interior of an ASDA supermarket. The image shows a wide aisle with high ceilings, fluorescent lighting, and large windows on the left. Shelves are stocked with various products, and several customers are visible walking through the aisles. A red vertical bar is positioned to the right of the title.

Coordinating at ASDA

- ▶ Coordination links different departments such as **stores, warehouses, and online operations** (Cole and Kelly, 2020)
- ▶ Ensures smooth communication between **supply chain, sales, and customer service teams**
- ▶ Uses **digital systems to track stock and manage supply chains in real time**
- ▶ Supports efficient operations across ASDA's large and complex business structure
- ▶ Improves efficiency and ensures all activities work towards common goals
- ▶ However, poor coordination may lead to **delays and operational inefficiencies** (Burnes, 2020)



Controlling at ASDA

- ▶ ASDA monitors performance using **Key Performance Indicators (KPIs)** such as:
 - ▶ Customer satisfaction
 - ▶ Sales revenue (**around £21 billion in 2025**) (ASDA, 2026)
 - ▶ Stock turnover (how quickly inventory is sold and replaced in a year)
- ▶ Managers compare **actual performance with targets** and take corrective action
- ▶ Uses digital systems to track performance across stores, warehouses, and online operations
- ▶ Helps maintain efficiency, quality, and profitability (Robbins and Coulter, 2021)
- ▶ However, excessive control may reduce employee flexibility and creativity (Burnes, 2020)



Managers in a Contemporary Business Context

- ▶ Modern managers face challenges such as:
 - ▶ Digital transformation
 - ▶ Data-driven decision-making
 - ▶ Employee wellbeing
 - ▶ Sustainability (Burnes, 2020)
- ▶  **Application (ASDA Example):**
- ▶ ASDA invests in **online shopping, home delivery, and digital systems** to meet changing customer demands
- ▶ Uses data analytics to improve decision-making and efficiency
- ▶  **Critical Insight:**
- ▶ Fayol's functions remain useful, but modern managers must be **flexible and adaptive** in a fast-changing retail environment (Robbins and Coulter, 2021)

How Fayol's Functions Work Together

Fayol's functions are interconnected:
(Robbins and Coulter, 2021).

- Planning sets goals
 - Organising allocates resources
 - Leading motivates employees
 - Coordinating aligns activities
 - Controlling ensures performance
- ▶  **Evaluation:**
- ▶ Provides a clear, structured approach to managing large organisations like ASDA (Robbins and Coulter, 2021)
- ▶  **Limitation:**
- ▶ Can be too rigid for fast-changing industries such as retail, where flexibility is required (Burnes, 2020)



Modern Retail Environment

- The retail industry is influenced by:
 - E-commerce growth (Amazon, Tesco online)
 - Changing customer expectations
- Technology and digital innovation (Burnes, 2020).

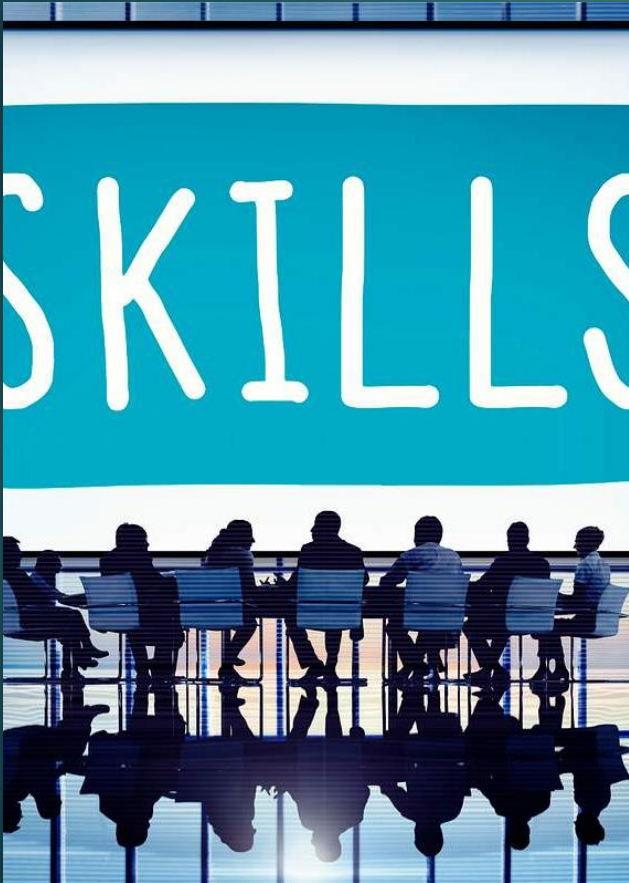
✓ Application:

- ASDA must continuously adapt its strategies to remain competitive.

✓ Critical Insight:

- Fayol's model remains relevant but must be combined with **flexible and adaptive strategies**. Modern retail requires quick decision-making and innovation (Robbins and Coulter, 2021).

Evaluation of Fayol's Theory



✓ Strengths:

- Provides clear structure and organisation
- Suitable for large companies like ASDA
- Improves efficiency and accountability (Robbins and Coulter, 2021).

⚠ Limitations:

- Too rigid in dynamic environments
- Limited focus on innovation and creativity
- Less suitable for digital and agile organisations (Burnes, 2020).

👉 Overall Judgement:

- Fayol's theory remains useful, but works best when combined with modern and flexible management approaches.

Conclusion

Fayol's functions remain relevant in structuring business operations at ASDA



They help improve efficiency, coordination, and performance.



However, long-term success depends on combining traditional management principles with flexible and innovative approaches.

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Question