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Introducing Modern Workplace

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Introduction

In the modern competitive and dynamic business environment the performance of an organisation depends on various internal and external factors. The most vital factor includes the organisational structure and the culture it follows. Apart from this leadership also plays an effective role in motivating employees to perform effectively and improving their engagement. The organisational structure defines how the activities like supervision, coordination and allocation of tasks are directed to attain the goal. On the other hand, culture defines the shared value, beliefs and attitudes of the organisation. A strong culture impacts performance and supports improving the profitability of the company by fostering innovation (McMurray *et al.*, 2019). It also inspires employees and decreases the employee turnover rate. The knowledge of culture and the structure of operations supports the individual to have increased knowledge of the organisation and provides guidance on how they should behave within the workplace. Additionally, motivation is one of the significant factors which has a psychological impact on the employee's performance and pushes them towards improving their productivity.

This study aims to highlight the impact of the culture and structure of an organisation on the company's performance. Here one of the UK-based giant retailers Tesco will be considered to conduct the task. Further, the paper will shed light on the motivational approach followed by Tesco.

Main Body

Tesco is one of the biggest multinational retail organisations having a huge global presence. It aims to serve people with sustainable products that improve the quality of their survival (Tesco, 2023). It was founded by Jack Cohen in 1919 and opened its first store in 1929 in London. Tesco has a wide range of food and non-food products which includes drinks, foods, and frozen food. Apart from this, it has health and beauty products, financial products, household products and so on. The market capitalization value of the company is 23.53 billion USD as on July 2023 (Companies Market Cap, 2022). It makes the company the most valuable company and became the 778th valuable company in the global space.

Tesco has a **hierarchical (tall) organisational structure** where there are different layers of management and many leaders operate. There are **three levels of command** or management system: top **management, mediate and base level**. The chain of command is long and all the subordinate staff need an immediate manager in the hierarchy. The main reason for following this organisational structure at Tesco is that the division of work into many layers will assure the effectiveness of work. On the other hand, Tesco has a strong culture which has enabled the company to earn huge respect and support in building an effective brand image. Its value is to support the core purpose of serving people effectively in practice (Tesco, 2022). Further Tesco ensures that all members within the workplace understand teamwork and get equal treatment and are respected. Moreover, they ensure providing high-quality products to their customers and that too at an affordable rate. This has enabled the company to improve connectivity and serve millions of people around the world. Tesco's culture also includes maintaining diversity and integrity which has enabled the company in bringing innovation to its work culture. Apart from this, Tesco cares for the planet and community and is involved in many sustainable practices.

There are many **positive impacts of the tall structure** on the employee performance of Tesco. The employees of Tesco get **clear objectives** from their seniors which help them to improve their focus and support in **accomplishing their objectives**. It has impacted the performance of the company as well as Tesco witnessed an **increase in sales and profitability** in recent years. It helped Tesco in generating more than £60 Billion in FY 2022-23 while it was £56.4 billion in 2021-22 (Bedford, 2022). Besides this, following this tall structure, the employees of the organisation have **developed a sense of security** and more people get associated with the company. There has been an increase in the number of employees and more than 326000 individuals attached to the company (Statista, 2022). It provided an opportunity for the company to get attached to skilled and dedicated workers who can contribute to the growth of the company. As a result of engaging skilled employees, Tesco managed to **improve sales** of the company after the pandemic crisis and witnessed a 7.2% growth at the beginning of 2021 (Statista, 2022). Further, this structure provides an **opportunity to adopt advanced technology** (Cimini *et al.*, 2020) and this supports Tesco in **bringing innovation** in production and supply chain management. It also helps Tesco in gaining competitive advantages over the other retail players in the market.

On the contrary, there were certain negative impacts of adopting the hierarchy structure within Tesco. The employees witnessed a delay in communication due to numerous layers of management. It affects the entire process and sometimes results in delays in adopting processes at an adequate time by the company. Moreover, Tesco witnessed an increase in its expenditure for paying high compensation to several layers of workers.

The organisational structure followed by Tesco closely resembles the **theory of bureaucracy** proposed by **Max Web**. According to the theorist, bureaucracy is the structure of the organisation which is featured by standardised processes, requirement and procurement, division of labour and clear hierarchy. Besides this, the immediate superior in the hierarchy communicated with the immediate subordinates and Weber suggested that big organisations must implement this theory. The theorist emphasises dividing the structure into hierarchies which have clear control and authority (Serpa and Ferreira, 2019). Here all the managers clearly define the roles and responsibilities of its members which enable the staff to increase their focus and impact productivity. Moreover, the managers must push employees to follow all the rules and regulations of the organisation. This enables Tesco to conduct ethical conduct in its operation. Moreover, division of work is another vital feature of Max Weber's theory which supports Tesco's workers to distribute the work according to their specialised skills and capability. It reduces the workload and improves the job satisfaction of the worker and therefore most organisations like Tesco have witnessed an increase in retention levels. It also allowed the member to remain transparent which affects the accountability and transparency level of the worker.

Tesco follows a **strong corporate culture** which has enabled the company to **improve its brand image** in the market. It also enables the company to capture the biggest market share in the UK market. The market share of Tesco is 26.4% while Sainsbury, the closest rival of Tesco, holds 14.3% of the UK market share in August 2019 (Armstrong, 2019). Further, Tesco always prioritises promoting transparent culture and defines its clear expectation from the members. Apart from this, Tesco recognises its employees and provides continuous feedback to its staff to improve their performance. Nurturing this culture, the employees of Tesco have improved their efficiencies and scope. Tesco further considers employees as the heart of their business and assures them it provides training so that they can develop skills and assure future growth prospects. Moreover, **Tesco is committed to upskilling and reskilling** and in this process, they are **improving** the

employability skills of their workforce (Tesco, 2022). This practice of Tesco motivates its employees to increase their performance. As a result of this, Tesco has increased its number of stores and it stood at 4169 stores in the UK market (Bedford, 2022). Moreover, valuing the employee culture of Tesco has enabled the company to **foster effective relationships** among the members of the organisation. Tesco's culture cares for the greater community and planet and sustainable approaches adopted by the company support **retaining existing customers as well as attracting people** (Sepawi, 2023).

Organisational Socialisation Theory describes learning and adjustment processes that enable employees or individuals to acquire knowledge and skill and adjust to any changes in the business environment. It can also be described as the process of mutual influence where the members of the organisation can also influence the performance of the company by aligning their desire (Ahmad *et al.*, 2019). This theory, therefore, describes the process by which an employee adopts changing roles to meet individual as well as organisational needs. This approach has been utilised in the organisational culture of Tesco. They prioritise valuing employee participation and this approach has supported the growth and development of Tesco. It also helped the company in bringing innovative approaches and adopting new technologies like Check free stores 'GetGo' to improve customer expectations (Tesco Plc, 2021). This not only provided scope for companies development but at the same time improved the skills of the employee and helped in the generation of value for the company. It has increased the employee engagement process at Tesco.

Employee motivation can be described as the level of commitment, energy and innovation employees bring to their job. Employee motivation is the greatest concern of most organisations as it inspires the members to increase their work engagement and improve their performances. To keep the employees engaged HRM of organisations is getting more important as they effectively design policies and strategies to motivate their workers (Ali and Anwar, 2021). Motivation impacts job satisfaction, productivity and performance. Therefore, companies use different approaches such as reward and recognition strategies, training and so on.

Tesco recognises the importance of employee motivation for the growth and long-term survival of the organisation. It uses various approaches like **improving employees' knowledge, job satisfaction and skill** through effective **training programs** and providing recognition. Tesco's

business highly depends on its skilled workforce as well as customers. They provide opportunities for employees to lead stress-free lives and take high care of their well-being. The organisation provides **high salaries** to its employees and provides job satisfaction. Yearly bonuses are also granted to the staff that help to meet the psychological requirements of Tesco staff (Rahaman, 2020). This has impacted their employees psychologically and helped them to develop strong relationships. The employees and their families are also provided with free and subsidised rate **health check-up facilities**. Along with this, a discounted rate gym membership is also awarded to the member which has improved the physical and mental health of Tesco's staff. Apart from this, the employees also have **flexible working opportunities** and **staff discounts** on any product they purchase from the Tesco store. Besides this, Tesco tries to keep its workplace environment healthy which brings positivity in their work and helps to build an effective relationship with colleagues. This helped Tesco in incorporating trust and motivated its staff to value transparency and accountability in their workings. Moreover, the culture of Tesco values **incorporating diversity and inclusive practice** which increases employee participation and develops the feeling of belongingness. It forces them to work for the betterment and growth of Tesco.

One of the prominent theories of motivation is **Maslow hierarchy of needs**. This theory argues that humans are motivated by satisfying five important aspects of needs. This aspect includes psychological needs which include food, clothing and shelter. Security needs, social needs that are associated with others, esteem needs including receiving acknowledgement and finally self-actualisation needs (Fadeyi, 2020). Tesco has applied this theory as their motivational approach and met the psychological needs of the employees by providing effective salaries and incentives along with bonuses. Further, by providing safety at the workplace and adequate compensation they are providing job security as well as physical security at work. Providing scope to work with others and associate with others improves social needs. Apart from this, providing rewards and acknowledging the efforts of employees Tesco met the esteem needs of its workers. Finally providing effective work experience the self-actualisation needs are fulfilled.

Conclusion

Conclusively it can be argued that organisational culture, structure and motivational strategies applied by the organisation positively impact the performance of the company. It is recognised

that Tesco applies a hierarchical structure in its operation that allows the divisional flow of management. It has improved Tesco's performance and the company was able to generate huge revenue by improving its sales in the global market. The incorporation of a strong culture has improved employee engagement and decreased the turnover rate. It also supported Tesco in building its brand reputation and enhancing loyalty. Max Weber's theory and organisational socialisation theory have also been covered in the context of the structure and culture of Tesco. It further uses various motivational strategies including providing training opportunities, job security and so on. It applies Maslow theory of motivation and improves employee satisfaction.

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