Prifysgol Cymru
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University of Wales
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Introducing the Modern Workplace

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Tesco - Organisation analysis

Organisation’s profile

- 1919 - The company was founded by Jack Cohen as a market stall in London, England
- 1924 - The name 'Tesco' is born
- 1929 - The first Tesco store in Burnt Oak, Edgware
- 1948 – First self-service opened in St Albans, Hertfordshire

- 1958 - The first supermarket was opened in Maldon, Essex
- 1968 - The term ‘Superstore' was first used on the new store in Crawley, West Sussex.
- 1995 - Introduction of Clubcard points loyalty cards

Products & Services

- Grocery Retail: Tesco is primarily known for its wide range of food products.
- Tesco Finest: Tesco Finest is a premium product range that includes high quality and gourmet food products, appealing to customers looking for a more luxurious shopping experience.
- Tesco Clubcard: Tesco has a loyalty program called 'Clubcard'. Customers can collect points on their purchases.
- Tesco Mobile: Tesco operates as a mobile virtual network operator (MVNO) in the UK, providing mobile services and contracts to customers.
- Tesco Bank: Tesco Bank offers various financial products including savings accounts, credit cards, loans and insurance services.
- Tesco Petrol Station: Many Tesco stores have petrol stations where customers can refuel their vehicles.

Mission and Vision

Tesco's Mission: To be the most trusted retailer, offering high-quality products at low prices and contributing to sustainability and social responsibility.

Tesco's Vision: To constantly create value for consumers, shareholders, and employees by being the largest retailer in each community served.

Competitors

- ASDA: It is a Walmart affiliate with 604 outlets, 196 of which are supermarkets.
- SAINSBURY'S: It is the third largest retailer and is believed to have the highest quality of the Big Four (Tesco, Sainsbury's, Asda, and Morrisons).
- MORRISON'S: It also produces food and is the UK's second largest producer.
- ALDI: Their success is built on the low cost of their items in relation to their quality.
- LIDL: Lidl, like Aldi, focuses on low-priced products.
- WAITROSE: It focuses on employee and production process quality.

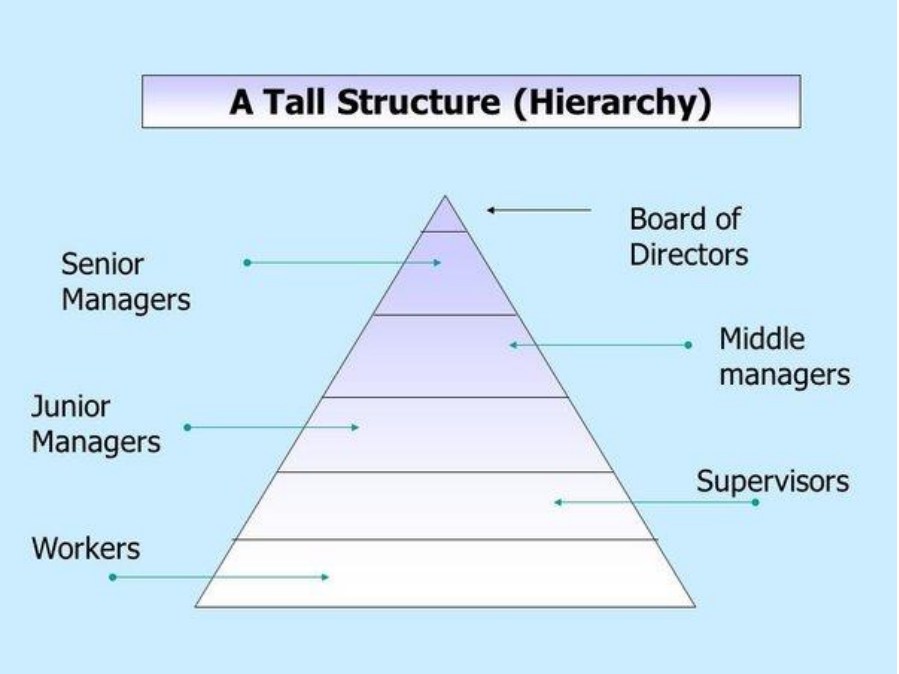
Relationship between the organisation's structure and its performance

- Organisational structure focuses on the methods by which work flows through an organisation supporting teams to work together for achieving the organisational goal.
- Iranmanesh *et al.* (2021) stated that organisational structure support dividing the operational activities, organising and coordinating successfully for achieving success.

This high efficiency generates in the business which positively benefits to increase the overall performance of the business.

Therefore, Tesco follows the tall structure as the company's various layers of management in the business.

It can be stated that organisational structure has a prominent relationship with increasing the performance of the organisation.



- Abubakar *et al.* (2019) mentioned that an effective organisational structure enhances operational efficiency by providing clarity to employees at all stages of an organisation.
- Following this, the overall organisation will get positively impacted resulting in higher performance efficiency.

- Equally, this structure supports keeping a team of subordinates under every manager leading to producing efficient performance
- Through strict supervision which supports overall performance efficiency in the business.

APPLICATION OF LEADERSHIP THEORIES IN TESCO

This section will demonstrate how Tesco, a renowned international retail firm with its headquarters in the UK, can be used to apply leadership ideas. Within the context of Tesco's organisational structure, this examination will examine the use of transformational, situational, and transactional leadership. Investigating Tesco's leadership practises will offer insightful information about how these ideas affect the company's performance and long-term success.

TRANSFORMATIONAL LEADERSHIP AT TESCO

• **VISIONARY DIRECTION**: Tesco's implementation of transformational leadership ideas has fuelled the retailer's spectacular development and global supremacy. Employees of transformational leaders are inspired and motivated to put the organisation's interests above their own. Tesco leaders inspire their staff to work actively towards reaching shared objectives by communicating this vision to the entire workforce. Tesco employees have a sense of direction and purpose because they understand how important their efforts are to the company success (Bhuyan, 2019)

• **INNOVATIVE CULTURE**: Tesco adopted a culture of innovation, creativity, and expansion because to Leahy's forward-thinking leadership, making it a major player in the retail sector. The transformational leaders at Tesco support an environment that values values innovation and taking chances. To stay ahead in the cutthroat retail environment, employees are given the freedom to think creatively, experiment with novel concepts, and take calculated risks. Employees are inspired to develop new ideas and try out novel techniques thanks to this approach's openness and innovation (Krummel, 2022).

• **EMPOWERED WORKFORCE**: The transformative leaders at Tesco also make investments in the training and empowerment of their workforce. They value and develop the potential of their personnel, promoting career advancement and skill development. Tesco's executives foster a sense of ownership and accountability among their workforce by offering opportunities for development and career advancement. As a result, Tesco's staff members are inspired to work well and give their all to the company's ongoing success.

SITUATIONAL LEADERSHIP AT TESCO

• **ADAPTIVE APPROACH**: Managers that practise situational leadership change their approach to management in response to the competence and dedication of their workforce. Tesco's managers adjust their leadership style in accordance with their understanding that not all employees require the same amount of direction or oversight (Fadeyi, 2020). Tesco managers may use a more directive leadership style when dealing with new hires or workers who are given challenging assignments.The managers encourage them and actively watch their development to make sure they are at ease and confident in their new positions (Larik, and Lashari, 2022).

• **TASK-SPECIFIC STYLE**: Tesco workers who have extensive experience and high levels of competence, however, might benefit from a more delegative leadership style. These staff members are qualified and experienced to operate independently. Tesco management believe in their ability and allow them the flexibility to take charge of their work and make decisions. This strategy encourages these people to flourish in their professions by fostering a sense of empowerment and autonomy (Sullivan and Gouldson, 2020).

• **INDIVIDUALIZED DEVELOPMENT:** Tesco managers may effectively support employee growth and boost overall performance by adapting their leadership style to individual needs. This strategy makes sure that workers get the right amount of direction and assistance, which raises job satisfaction and boosts productivity. Tesco promotes an open and encouraging work environment by acknowledging that each person has specific needs and skills. Employee engagement and loyalty are also boosted by this strategy because they are made to feel valued and appreciated for their unique contributions (Damer, 2020).

TRANSACTIONAL LEADERSHIP AT TESCO

• **CLEAR GOALS:** A motivating work atmosphere is produced through transactional leadership, which sets clear performance standards and offers rewards and incentives for hitting goals. The transactional leaders at Tesco are essential in helping to define clear performance goals for their team members. Tesco's transactional leaders provide staff a feeling of purpose and direction in their jobs by outlining clear expectations (Orozco Vidal, 2019).

• **CONTINUOUS FEEDBACK**: At Tesco, regular feedback is a crucial part of transactional leadership. Employees' progress towards their performance goals is continually assessed by managers, who also flag areas that may need improvement. Employees may stay on track and make required modifications using this feedback loop to successfully accomplish their goals. Employee satisfaction is increased when positive contributions, such as exceeding goals or exemplifying great performance, are acknowledged and reinforced. These incentives build a culture of excellence and motivate staff to consistently aim for greater levels of performance (Aliekperov, 2020).

• **PERFORMANCE INCENTIVES**: Transactional leadership at Tesco fosters a stimulating work environment that raises employee commitment and engagement. To receive awards and recognition, employees are motivated to perform at their highest level, which improves job satisfaction and retention. Transparency is improved by the obvious connection between performance and rewards, ensuring that effort is recognised and properly rewarded.

Factors which influences group and team behaviours

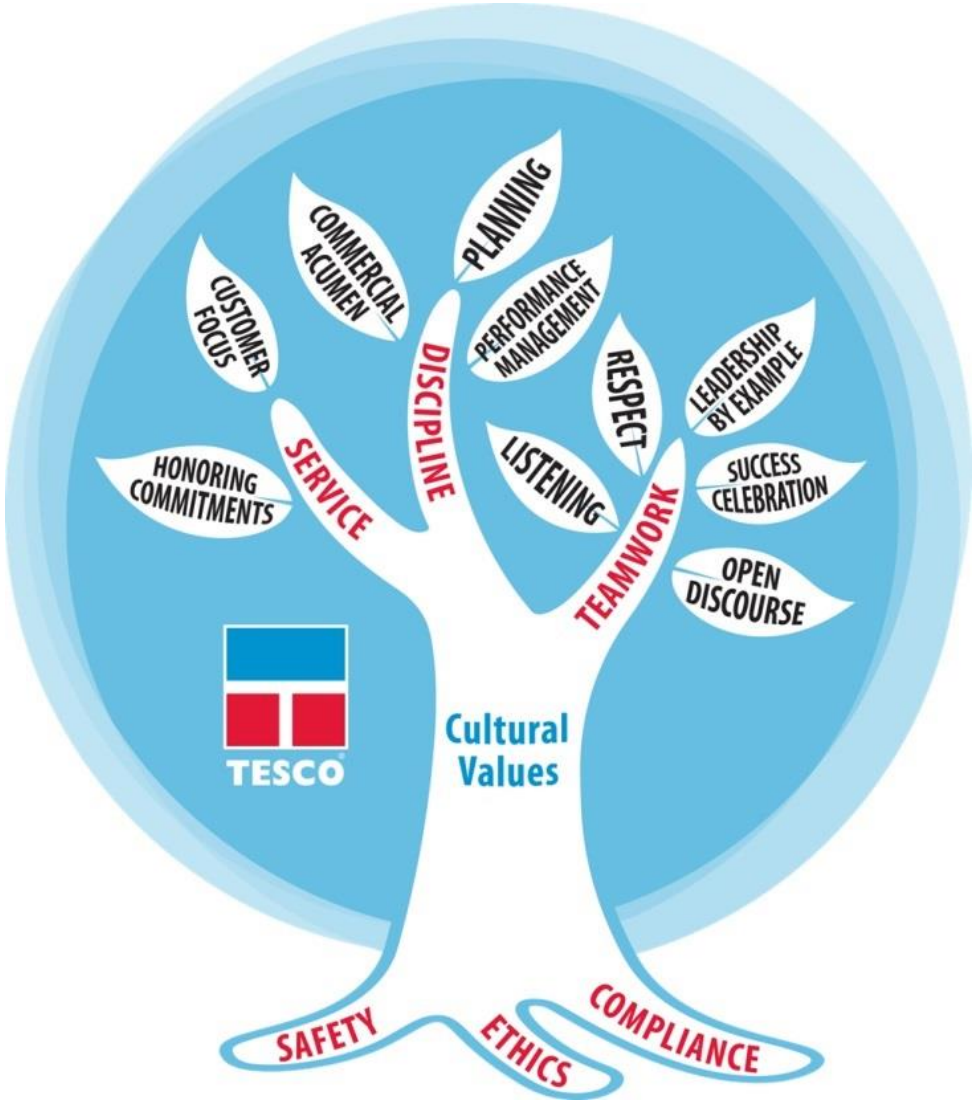
- Leadership style
  - Democratic
  - Autocratic
  - Laissez-Faire
- Organizational culture
  - Diversity and inclusion
  - Respect and integrity
  - Teamwork and collaboration
- Training and development
- External environment
  - Economic factors
  - Socio cultural factors
  - Technological Factors

Leadership style – democratic

- Tesco's management follows democratic leadership by considering team members' ideas and proposals within specified bounds.
- Motivated personnel provide good customer service.
- Democratic leadership and management have helped the company develop.
- To focus and maintain development, Tesco managers use autocratic management to ensure staff complete tasks on time.

Organizational Culture

Serving our customers, communities and planet a little better every day.(tesco.com,2023)
Customer Focus
Innovation and Adaptability
Teamwork and Collaboration
Respect and Integrity
Performance-Driven
Diversity and Inclusion
Sustainability and Corporate Responsibility

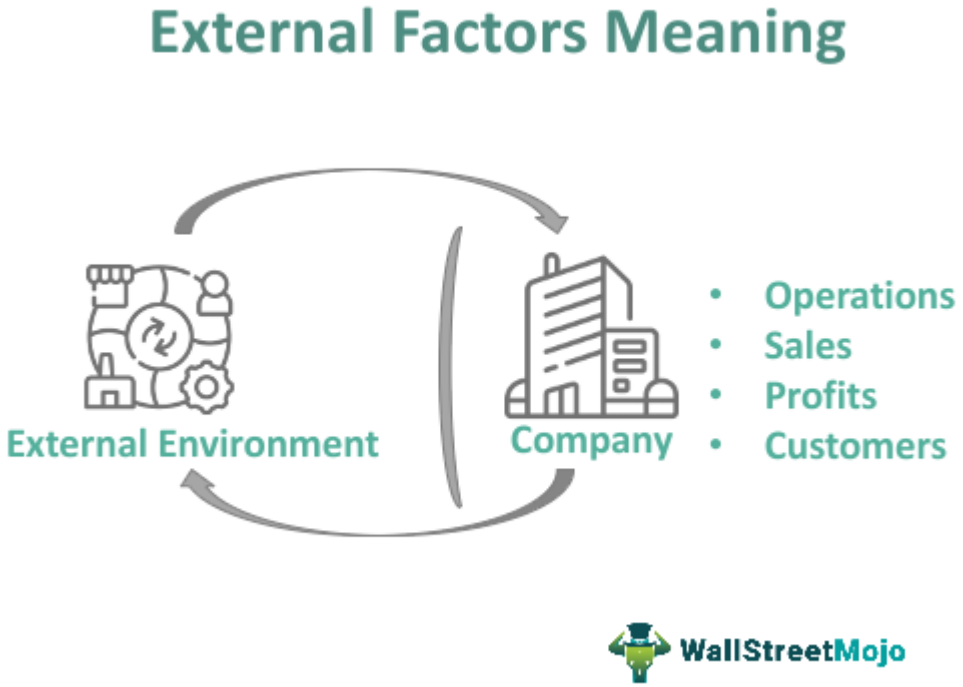


Training and development

- Online learning platforms
- Line Manager Trainings
- Apprenticeships
- Opportunities for young people
  - Interns and Graduates
  - Movement to Work
  - Kickstart

External environment

- Economic Factors
- Socio-cultural Factors
- Technological Factors
- Political and Legal Factors
- Environmental Factors
- Global Events
- Exchange Rates and International Trade



Thank you!

Any Questions?

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