

Assignment 2

Group Report Tesco Case Study

Student`s Name: Diana Alexandra Cadere 1818043-group leader

Rebeca Florentina Cazan 1818048

Sorin Haghiac 1818299

Izabela Cristina Antonescu 1817787

Loredana Forosigan 1816249

Moodle Name: Introduction In Modern Workplace

Moodle Code: LCBB4003

Assessment: Assignment 2 – Group report

Moodle Lecture Name: Dr. Husam Helmi

Table of content

1. Background and history of Tesco (Sorin Haghiac).....	3
2. Tesco aim and objectives (Rebeca Cazan).....	4
3. Leadership and management behaviour (Izabela C Antonescu).....	7
4. Group and team behaviour (Loredana Forosigan).....	10
5. Motivation and perception (Diana Cadere).....	16
References.....	21

1. Background and history of Tesco

Being one of the leading retailers from UK, Tesco is as well among the largest food retailers in the world. Founded in 1919 by Jack Cohen when he sold groceries from his stall with a profit of £1 from sales of £4, now Tesco is a visible brand worldwide with a renowned brand strength. With a rapid growth in the retailing industry now Tesco is selling also non-food products as clothes and electrical goods (Tesco PLC, 2019).

With around 326 000 employees the UK based in Chestnut Hertfordshire brand, Tesco now has a number of 2318 of stores all around UK, Asia and Europe. Always focusing on customer requests and needs Tesco's growth and expansion was later on focused not only towards food and non-food retail but also, they have oriented into travel insurance, telecommunications.

Ambitious and with a continuing desire of expansion, Tesco is always searching new ways to satisfy their customers this is why one of the biggest visions of the company is to greatly focus on their employees and customers. Their plan is to become the biggest retailer in the world with a continuous growing variety of goods because the better the focus upon customers and employees the faster they will get their loyalty.



Image adopted from Tesco PLC, 2019

Vision of Tesco

The vision of the company is to make good profit for their shareholders, provide the employees all the good environmental conditions and not only and by meeting customers' needs the fastest possible. They even have set goals to try to achieve to improve themselves better by reducing the number of customer complaints, opening new branches every quarter of the year, give back to the community by building schools, even to become a zero carbon business by the end of the year 2050. Switching on financial objectives, Tesco are trying to maximize profit by planning and implementing strategies of marketing, budget planning, promotions and good management of resources to accomplish their goals on long and short term objectives.

2. Tesco aims and objectives

Tesco has transformed its relationship with its customers. Today it is not only the United Kingdom's number one retailer, but also the world's most successful internet supermarket, one of Europe's fastest growing financial service companies and arguably one of the world most successful exponents of Customer Relationship Management (CRM). (Kogan Page Publishers, 2004).

Like any other company, the main objective is to make profit increase as time goes by. Which is also fulfilled because for its financial year ending February 23, the Big 4 grocer reported a better-than-expected 34 per cent rise in full-year operating profit to £ 2.21 billion - ahead of analysts' expectations of £ 2.08 billion and up from £ 1.64 billion recorded in the previous year. (Elias Jahshan, April 10, 2019)

An aim is something a business would like to achieve. A business may only have one aim but others may have more than one.

In the private sector a business will aim to make a profit. Whereas in the public sector a business would aim to make a profit where possible and also aim to meet strict expenditure targets.

No matter what sector a business is in they always aim to provide a product or service to either their local community or to the wider community. If a business is having a hard time making profit they may simply aim to survive. If a business is doing well, they may aim to expand their business. Frequently businesses aim to maximise their sales. This simply means selling as much as possible.

Some businesses aim to have a very competitive service, so more people will use their service than their competitors. Now a high percentage of businesses aim to make their business as environmentally friendly as possible (Myles Howson).

The **mains objectives** of Tesco are counted by:

To become a pleasing place to work by giving their staff the chance to be themselves, actively encouraging their strength and wellbeing and support their work/life equilibrium needs. Tesco's target is to expand their sale of organic manufacture to 1 billion pounds over the next five years.

Tesco now has a 6.5% market share in Non-food business. Their target is to be as strong in non-food as in food.

The **main aims**:

- **to provide to their clients unsurprisingly** delivered and individual service;
- **to earn** the respect of its objects for the values and realize their contribution;
- **to recognize** customers much better;
- **to give** customers a broad range of tough relevant promotions in all departments of the store;
- **provide** an environment that is easy and pleasant to shop in;
- **upgrade** existing stores to the higher standards.

Being the largest supermarket in the UK, the main focus is on the customers, the factor from the growth is starting. If at first Tesco had a moderate number of buyers, it has now grown immeasurably.



Tesco Steering Wheel adopted from TypePad,2019

Purpose and Values

“Serving shoppers, a little better every day” (Our Tesco)

Tesco aim to become or stay their leading retail supermarket and provide good quality services and products at a low cost so that they are cheaper than their competitors.

Objective 1- to increase sales and profits by cutting prices, more in store deals, expand existing and new stores, sell more.

Objective 2- To decrease the prices. The aim is not to have the most expensive products, but instead to have moderate prices and a lot of sales. That’s why Tesco brings to the market new ideas and new ways to increase sales. An example in this case is the products to which another product is added free of charge when purchasing it.

Objective 3- To introduce as many health products as possible. What is the purpose? The aim is to increase the interest of several people who have different nutrition, so the number of customers will increase according to the number of people who eat health decide that Tesco is the best choice.

Objective 4- to develop a large online shop. Tesco try to provide groceries, electronics and clothing goods in their online site.

Objective 5- To provide jobs in their local community and to reduce the unemployment in local areas.

HOW TESCO OBJECTIVES ARE SMART

“Although we have seen a slight increase of 3.7% in the staff accident rate within distribution, we have already taken positive steps to address the increase and we are confident that over the longer three-year cycle we will meet the target” (Abstracted from Tesco health and safety statement).

Tesco has expanded its operations outside the UK to 11 other countries in the world. The company pulled out of the US in 2013, but as of 2018 continues to see growth elsewhere. Tesco international expansion strategy has responded to the need to be sensitive to local expectations in other countries by entering into joint ventures with local partners, such Charoen Pokphand in Thailand to from Tesco lotus and by appointing a very high proportion of local personnel to management positions (Tesco plc. “our business”).

3. Leadership and management behaviors

I will start by saying that leadership and management are two different things, but despite the differences there is a close relationship between leadership and management in work organizations, and it's not easy to separate them as distinct activities (Laurie J Mullins, 2002).

Leadership can be defined as the action of inspiring, pushing people and making them follow you is the capacity to make people trust you and to want to follow you and not anyone can be a good leader. There are different styles of leadership such as: autocratic, visionary, affiliate, democratic, pace-setting, coaching. (Kevin Kruse, 2013)

The first style which is the autocratic is a power-driven type of leadership, this style can be a little harsh on the employees but can bring results when the employees need to be supervised more closely.

Second style is the visionary leadership are focusing on the creation part and the visionary leaders are very confident and they are trying to take things to a new direction.

Affiliate is the third style is ensuring that team work is the most important thing, people are working together and relationships are being made in order to succeed and to achieve the goal. This style is easily taken by employees and it's not by any means stressful, it can bring great results but if the feedback is bad and people cannot take it in a good way and things can get tensioned.

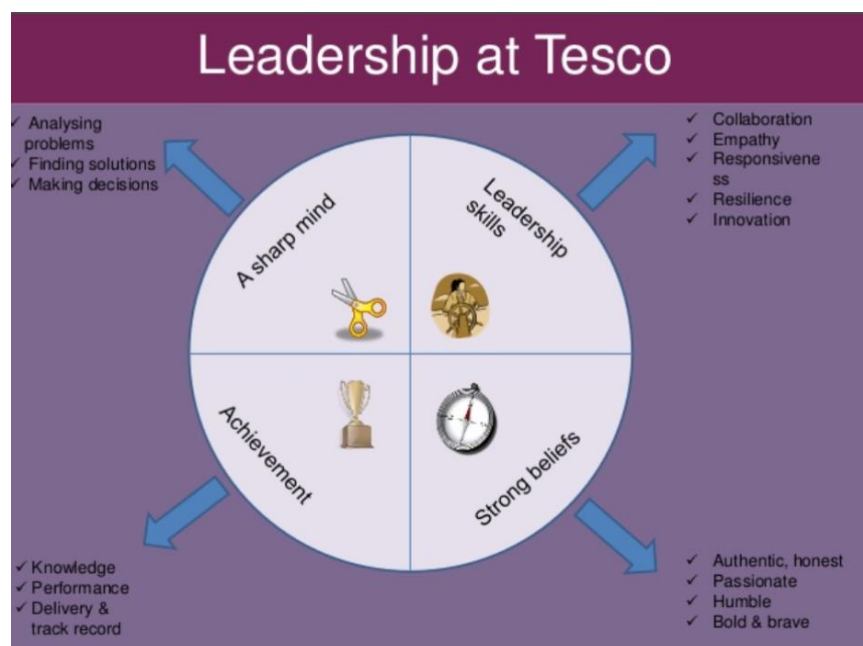
The democratic style is promoting the involvement of people in saying ideas, sharing thoughts about jobs and being listened by the managers. This style can be one of the least aggressive ones and the employees feel respected and valued because they can express their feeling and share their opinions. If not done correctly this may be seen as too much talking, too much listening and too little action taken.

The management of Tesco adopted this democratic style where the employees are heard and managers are taking their opinions into consideration. The leadership style is adapted by the management and imitated by the employees and it has for sure changed the structure of the organization. The Tesco management is valuing their employees and they are making them to feel an important part of the organization.

The pace-setting leadership style sets exciting challenges and goals for their team and can demand good communication, responsibility at a consistent speed. This is not a long-term style, but if done well the team's performance can increase with clear demands and guidance, if done badly it can ruin the team's faith.

Coaching leadership style can bring a lot of good things and can be a long-term approach. Employees feel more valued when managers give them the feeling that they want to grow and develop themselves more and employees will engage and be more present on tasks. This style focuses on developing skills on each one of the members. If this style will not be done properly, it can be mistaken with micro-managing.

Management can be defined as the process of administration an organization where setting the strategy, coordinating and supervising the members that work in the business environment to accomplish objectives and tasks. Management has functions such as: planning, organizing, staffing, directing and controlling. Unlike leadership which is a more relaxed kind of approach to make people to achieve daily tasks, management is a more serious way that also brings great results, every business profit or nonprofit needs a manager.



There are different factors influencing the leadership style. Employees at Tesco face different challenges and they have to take decisions, they also have plenty of responsibilities and tasks daily. This thing will influence the style of leadership and management of each one of the team leaders and managers. Managers can be the ones in the shops / on the floor or the ones in the

office. Managers and leaders have to take decisions and they have to think about each decision because it can influence, affect every worker.

The link between management and leadership is that the management focuses on making strategic decisions while the leadership is implementing the decisions to the employees by communication. The leaders are engaging more with the employees and they reward them to achieve goals.

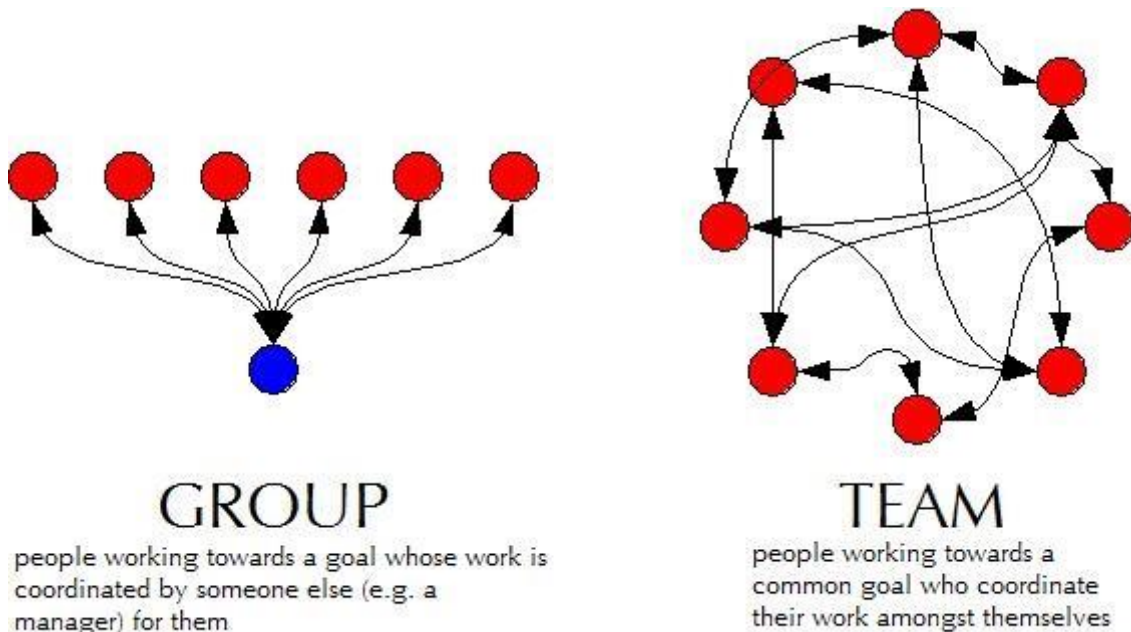
For example, Sir Terry Leah was the CEO of Tesco from 1997 to 2011 and he was considered a visionary leader that changed the structure of the organization (Tesco, 2010). The company became more concentrated on reaching its goal on providing services and goods of good quality to the customers and they were looking for employees' skills and performances to help them become better, grow and help the firm at the same time.

Tesco is aiming to continue to be the best retailer in UK and across the globe whilst focusing on setting long term objectives and making strategic decisions in achieving goals with the help of their leaders.

Their motto 'Every little helps' is still an important part of their journey; managers have to use this and motivate the employees to deliver the best experience to customers in every Tesco shop. "The management thinks that the success of a leader depends on upholding a happy workforce in the organization by giving a work that is stimulating to do, a chance for the employee to move on in life, a manager who will help the employees by identifying their performances and to respect them." Tesco (2010)

Tesco is a very flexible company regarding their employee's needs, schedules, religions and contracts. They are using a democratic style of leadership and they are very understanding with their employees that are valued and helped to grow and succeed. This style of leadership has helped Tesco to grow and succeed after all of these years of activity.

4. Group and team behaviours



<https://tsanch.files.wordpress.com/2014/06/group-vs-team.jpg>

1.Group

Is a collection of people who share all of the following characteristics:

- a definable membership
- group consciousness
- a sense of shared purpose
- interdependence
- ability to act in a unitary manner.

Groups are formed as a consequence of the pattern of organisation structure and arrangements for the division of work.

Nature of the group

The nature of the group refers to the way in which activities are carried out and how it is managed, on the basis of techniques that determine the internal character of the group.

Purpose of the group

Within the group is carried out a well-defined activity, which aims to focus on a particular subject explicitly and for a short period of time.

Group value and norms

The group developed its own pattern of informal social relations ,codes and norms of what constituted proper group behaviour.

1.Not to be a "rate buster"-not to produce at too high a rate of output compared with other members or to exceed the production restriction of the group.

2.Not to be a "chiseller"-not to shirk production or to produce at too low a rate of output compared with other members of the group.

3.Not to be a "squealer"-not to say nothing to the manager which might be harmful to others members of the group

3.Not to be "officious"-people with authority over members of the group .

Groups are formed as a consequence of the pattern of organisation structure and arrangements for the division of work.

Groups are planned and created by management as part of the formal organisation structure .

Nature of task is decided by the group's functions and objectives.

Different types of groups

1.Formal group- are created to achieve specific organisational objectives and are concerned with the co-ordination of work activities.

-tend to be relatively permanent

-can be differentiated in a number of ways and can be created by management.

2. Informal group-are based on personal relationships and agreement of group members than on defined role relationships, serve to satisfy psychological and social needs.

The informal leader is chosen by the members of the group and he is the person who helps to resolve conflict, leads the group in satisfying its goals.

Lysons suggest four main reasons why people form informal group:

1. The perpetuation of the informal group "culture"-set of values, norms and beliefs which form a guide to group acceptance and group behaviour.

2. The maintenance of a communication system-want all the information that affects their welfare, negative or positive.

3. The implementation of social control-conformity of the group is enforced by techniques as ridicule, ostracism and violence.

4. The provision of interest and fun in work life-many work are monotonous so the worker loses interest in the work and can fail, so the group activities such as team games, excursions to a glass to get out of the comfort space are undertaken.

1.5 Reasons for formation of groups

Individuals will form into groups, formal and informal for a number of different reasons relating to work performance and social processes. Certain tasks can be performed only through the combined efforts of a number of individuals working together.

Groups may encourage collusion between members.

Groups provide companionship and source of mutual understanding and support from colleagues.

The group provides guidelines on generally acceptable behaviour.

The group may provide protection for its membership.

2.Team



Appears when a number of people have a common point and realize that their successes depend on the successes of others and they are all interdependent.

Factors that promote the development of teamwork

1. Diversity-is based on the diversity of cultures, talents and personalities that support the creativity of the team in order to work on the team based on respect and awareness.
2. Communication-influences teamwork through clarity and free discussion between team members in terms of purpose, responsibilities and deadlines.
3. Leadership-team work is supported by one or more leaders who will manage by collaborating and managing team members.

Types of work teams

1. **Functional Teams**- include members from the same department,often these are permanent.
2. **Cross-Functional Teams**-work team composed of individuals from various specialties,often these are temporary.

3. **Virtual Teams**-member collaborate online with tools such as wide,area networks,fax email or web sites where the team can hold online conferences.

Can do all the things that other teams can ,like:share information,make decision and complete tasks

Differences between a team and a group

CRITERIA	TEAMS	GROUPS
SIZE	Limited in number	Large number of people
SELECTION	Selection criteria is crucial	Selection criteria is immaterial
LEADERSHIP	Leadership is shared or rotated from time to time	Single leader leads the whole group until the target has been met
PERCEPTION	Mutual knowledge and understanding happens throughout the course of the activity	Focus is on the leader as he or she assigns duties as to what the group has to do
STYLE	Role is spread across the whole team and is coordinated by all the members	Conformity is observed by the whole group, which is to follow the leader in attitude, behaviour and norms
SPIRIT	Dynamic interaction happens throughout the team	Togetherness and persecution of opponents is what drives a group

Source: Belbin, 2000

<https://culctomantony13.files.wordpress.com/2015/09/2.png>

Contemporary issues

1.Benefits-greater diversity of ideas

- limited groupthink
- increased attentation on understanding others ideas,perspectives.

2.Drawbacks-disliking team members

- mistrusting team members
- stereotyping
- communication problems

-stress and tension

Effective teams

1.Context-adequate resource

- leadership and structure
- climate of trust
- performance evaluation and reward system

2.Composition-abilities of members

- personality
- allocating roles
- diversity
- size of team
- member flexibility
- member performance

3.Work design-autonomy

- skill variety
- task identity
- task significance

4.Process-common purpose

- specific goals
- team efficacy
- conflict levels.

Motivation and perception

The success of companies is largely based on internal strategies for motivating human resources. A motivated staff will work efficiently and make a profit, and business will thrive. But this process of motivating the employees has become more and more complex lately and is influenced by several factors - the lifestyle of the employees, their needs and their vocational path (2016, Shawn M. Galloway).

What is employee motivation

The definition in the psychology textbooks describes us as "motivation" as an internal process, which works differently for each individual. This process energizes the person and directs his resources to have a certain behavior and to fulfill the tasks that he has. Each person is motivated by different factors to work with pleasure, but there are certain changes that can influence the working atmosphere.

History and studies of the importance of motivating employees

Psychologist Abraham Maslow has developed the most well-known theory of motivation, taken over by most companies to give employees a greater desire to perform. Maslow founded a pyramid of needs that influence people's behaviour, and the unmet needs of people can be used as motivating factors (Elisabeth Hopper, 2019).



Image adopted from E. Hopper, 2019

Maslow's Pyramid contains 5 categories of needs:

1. Physiological needs - refer to the basic needs: food, water, shelter, protection, mobility / transport;
2. Needs for physical and social security - refers to financial security, job security, salary, pension;
3. Social or affiliation needs - they are met in the social context, in relation to those around and belonging to groups;
4. Needs for social esteem and recognition - refers to self-esteem, respect for people in the same group;
5. Needs for self-actualization and affirmation - refers to personal development and the fulfillment of professional potential

Forms of motivation

The ways in which managers choose to motivate their employees are of several types, depending on certain criteria.



Image adopted from L.Wills, 2012

Below we detail the most popular forms of motivation used today:

1. Positive - salary increases, bonuses, profit percentages, positive feedback, appreciations, promotions;
2. Negative - penalties, salary reductions, downsizing, verbal reprimands;
3. Intrinsic - measures that cause the employee to become involved in his own will, because this satisfies certain needs;
4. Extrinsic - motivating the employee to get involved in projects because they bring results that will generate a positive reaction from the organization;

The role of motivating employees

The main purpose of motivating the employees is its proven role in improving the performance in the workplace. To do this, the management of the company must know its employees and the climate of the teams, in order to apply the best strategies that will keep the talents in the organizations and to attract new competent candidates.

It is worth remembering that today's employees need more than an annual salary increase and some benefits (which most companies offer) to become core employees of the company and to be motivated to be proactive and to bring new ideas in the company.

Lack of employee motivation

The lack of competence of the employee can be easily confused with the lack of motivation, but, in most cases, it is a ceiling of the individual and the accumulation of dissatisfaction that prevents him from yielding.

The company management and the human resources department are responsible for motivating and offering attractive benefits, precisely for the purpose of retention and staff development. The first step that Tesco can take in this case is to identify the signs of demotivation and, in particular, their causes, respectively the reasons why the employees are dissatisfied.

Signs that employees are motivated include:

- Incompetence;
- Decreased productivity;
- Delays or absenteeism;
- Counterproductive behavior.

Practical methods for motivating staff used in Tesco

The personnel of Tesco company can be financially motivated by bonuses, car service and salary increases, but also non-financial, with the help of programs for personal development, creation of relaxation areas, recognition of merits.

Lately, human resources specialists have discovered that financial motivation is not a long-term solution for maintaining productivity, performance and employee satisfaction.

So, efficient proposals come with different approaches, which are related to creating a pleasant atmosphere. Here are some motivating strategies that are already successfully implemented in Tesco company:

- Reward employees with good initiatives;
- Show them that you trust them, but above all, don't forget to tell them;
- Set a small target for each week, which can be easily reached and give them satisfaction;
- Show yourself excited and radiate positive energy;
- Be transparent and communicate the decisions you make;

- Make personal remarks about each employee, which will raise their confidence level;
- Respect their personal life and make sure there is a balance between work and family.

Therefore, the motivation of the employees implies the correlation of their needs, aspirations and interests and must be regarded as a complex element of the organizational culture.

References List:

1. Tesco PLC, 2019, "About us", Available on: <https://www.tescoplac.com/>, Accessed in : 29.11.2019;
2. TypePad, 2019, "Tesco Steering Wheel", Available on: <https://callumathome.typepad.com/>, Accessed in: 4.12.2019;
3. M. Howson, 2013-2015, "Aims and objectives of Tesco", Available on: <http://www.markedbyteachers.com/gcse/business-studies/aims-and-objectives-of-tesco-and-mcdonalds.html>, Accessed in: 05.12.2019;
4. Potter, Mark, 16 February 2011, "Tesco to outpace growth at global rivals study", Available on : <https://www.reuters.com/article/tesco-igd/tesco-to-outpace-growth-at-global-rivals-study-idUSLDE71F1LR20110217>, Accessed in: 05.12.2019;
5. Laurie J Mullins (2002) *Management and organizational behaviour – Leadership and management* p.255;
6. Business Jargons (2018) *Management* . Can be found at : <https://businessjargons.com/management.html>. (Accessed on 25/11/2019);
7. Kevin Kruse (2013) *What is leadership ?* Can be found at : <https://www.forbes.com/sites/kevinkruse/2013/04/09/what-is-leadership/#4b869cf35b90> (Accessed on 25/11/2019);
8. Live and learn consultancy (2018) *6 different leadership styles every leader in business must know* . Can be found at : <https://www.liveandlearnconsultancy.co.uk/different-leadership-styles/> (Accessed on 25/11/2019);
9. H r elements (2015) *Tesco developing appropriate leadership styles*. Can be found at : <http://www.hrelements.com/wp-content/uploads/2015/09/761-tesco-developing-appropriate-leadership-styles.pdf> (Accessed on 25/11/2019 ;
10. Associate of Graduate Recruiters (2015) *Effective development methods for apprenticeship programmes – Tesco & Severn trent* . Can be found at : https://www.slideshare.net/AGR_/effective-development-methods-for-apprenticeship-programmes-tesco-severn-trent (Accessed on 26/11/2019);
11. UK Essays (2016) *Management and leadership styles at Tesco* . Can be found at : <https://www.ukessays.com/essays/business/management-and-leadership-styles-in-tesco-business-essay.php> (Accessed on 26/11/2019);

12. Locus Assignment,2012-2019, “Unit 3 Organizational Behaviour- Assignment Capco and Tesco, Available on:<https://www.locusassignments.com/solution/unit-3-organizational-behaviour-assignment-capco-tesco>, Accessed in : 10.12.2019;
13. Management and organisational behaviour, Laurie J Mullins p.463-469 ,chapter 13.
14. E. Hopper, 2019, “Maslow`s Hierarchy of Needs Explained”, Available on : <https://www.thoughtco.com/maslows-hierarchy-of-needs-4582571>, Accessed in : 28.11.2019;
15. L. Eills, 2012, "How can psychology affect performance?-Motivation", Availble on:https://prezi.com/9cjpehd_qfl0/how-can-psychology-affect-performance-motivation/, Accessed in: 09.12.2019;
16. Shawn M Galloway, May 2016, “Motivation or Engagement? What `s the Diffecence?” , Available on : <https://proactsafety.com/articles/motivation-or-engagement-whats-the-difference> difference, Accessed in : 14.11.2019.