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Organisational Structure and Culture Report

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M&S

EST. 1884

1.0. INTRODUCTION

Marks and Spencer (M&S) is a British international shop that specialises in apparel, home goods, and high-end cuisine. With over 940 stores worldwide and an online presence in more than 80 countries, M&S, which was founded in 1884, has developed into one of the biggest and most recognisable retail brands in the UK (Marks and Spencer, 2022).

Nevertheless, M&S has recently had to deal with a variety of difficulties, such as heightened competition from online merchants, evolving customer preferences, and supply chain interruptions brought on by Brexit and the COVID-19 epidemic.

The purpose of this report is to provide a deep overview of the company by analysing its culture and organisational structure, and how these affect their performance. The report also aims to explain and provide information about M&S motivation and how they transfer it to their staff so they can deliver excellent service.

2.0. DEFINITION

2.1. ORGANISATIONAL STRUCTURE

According to Robbins, Coulter, and DeCenzo (2017), organisational structure is the formal framework of authority, communication, and functions that governs how tasks are coordinated and managed within an organisation. The hierarchy of authority, departmentalization, formalisation, and centralization/decentralization of decision-making are examples of organisational structure components.

An organization's culture, communication, and overall performance are significantly influenced by its organisational structure. It influences how coworkers communicate with one another, their level of responsibility and independence, and how well they can innovate and adapt to change.

Marks and Spencer employ about 80,000 people and has business in more than fifty different countries. The organisational structure at M&S is hierarchical, which is a conventional structure characterised by distinct lines of authority and a specified chain of command. A hierarchical structure, according to Robbins and Coulter (2017), is "a type of organisational structure where every entity in the organisation, with the exception of one, is subordinate to a single other entity." The CEO of M&S is at the top of the organisational chart, which also includes the board of directors, the executive team, and numerous departments and teams. In a hierarchy, each level is in charge of managing the level below it and reporting to the level above it.

A particular type of hierarchical organisational structure known as a functional organisational structure, which is organised around functions or departments, is used by M&S. Robbins and Coulter (2017) state that "a functional structure groups people according to the business functions they perform, such as accounting, marketing, or production." M&S is divided into a number of divisions, including IT, operations, marketing, human resources, and finance. The functional organisation enables M&S to utilise resources effectively and guarantee that each department is in charge of its particular function. This structure, meanwhile, can also result in communication breakdowns and sluggish decision-making.

2.2. ORGANISATIONAL CULTURE

Shared values, beliefs, behaviours, and practises define an organization's culture, which affects how its employees interact with one another. The "social glue" that keeps a company together and shapes how its members think, act, and communicate with one another and with outside stakeholders (Schein, 2009). An organisational culture, according to Schein (2009), is "a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems." This definition emphasises the significance of organisational culture as a pattern of common presumptions and beliefs that are transmitted to new employees as a manner of influencing their behaviour and integrating them into the company. Additionally, it highlights how dynamic organisational cultures are and how they change over time in reaction to both internal and external changes in the environment. The distinctive organisational culture of Marks and Spencer (M&S) reflects the company's principles and ideals. Strong commitments to quality, sustainability, and customer service define M&S's culture. The business has a long history of doing business ethically and responsibly, and this is reflected in its culture and basic principles. According to Schein's (2009) definition of organisational culture, M&S's culture may be characterised as a pattern of universally held fundamental beliefs that have been acquired via the company's experience resolving issues with outward adaption and internal integration. The culture of M&S is centred on the company's objective of "enhancing lives, every day," and is exemplified by its fundamental principles of quality, innovation, trust, and sustainability. Also, M&S's culture is based on a strong dedication to providing excellent customer service. The business places a high importance on fulfilling the requirements and expectations of its clients, and it works hard to enhance the customer experience. The company's approach to product quality, design, and innovation is consistent with this focus on customer service.

2.3. HOW ORGANISATIONAL STRUCTURE AND PERFORMANCE REFLECT ON M&S PERFORMANCE?

Over the years, the organization's structure and culture have had a big impact on how well it has performed. Decisions are taken at the top of M&S's organisational structure and are then passed down to lower levels. This organisational structure has helped to provide uniformity within the company, provide for more control and accountability, and enable the business to react fast to market developments (Papworth, 2013). M&S places a priority on quality and customer service as part of its ethos. The company's dedication to procuring top-notch goods and providing outstanding client experiences are clear examples of this culture (Burt & Sparks, 2003). M&S also boasts an innovative culture, which has been essential to its success in introducing new goods and services to satisfy shifting consumer demands. Overall, M&S has been able to maintain a competitive edge in the market thanks to a combination of its centralised organisational structure, excellent customer service culture, and commitment to quality. Marks and Spencer (M&S) track its success towards its strategic objectives using a variety of key performance indicators (KPIs). Key KPIs for M&S include the following:

- Sales growth: To track the company's overall revenue growth, M&S tracks its sales growth across all product categories.
- Gross margin: To gauge the profitability of the business, M&S keeps track of its gross margin, which is the difference between revenue and cost of goods sold.
- Market share: M&S calculates its market share in the retail sector to evaluate its competitive position and spot growth prospects.
- Employee engagement: To assess its performance in fostering a positive work environment and attracting and retaining talent, M&S tracks employee engagement levels using surveys and other measures.
- Sustainability goals: M&S sets sustainability goals such as lowering greenhouse gas emissions and raising the ethical and environmental standards of its supplier chain in order to lessen its impact on the environment.

Overall, these KPIs assist M&S in evaluating its performance in relation to its strategic objectives and identifying opportunities for development to keep its competitive edge in the retail sector (Marks and Spencer, 2021). To perform good, Marks and Spencer rely on their staff's wellbeing and principles. The company gives an opportunity to their workers to communicate their views and expectations while establishing minimum standards with respect to all factors which affects their operation. They also create surveys for their staff's wellbeing as their success is depending on that. Their wellbeing strategy helps for an inclusive workplace that provides a healthy lifestyle (Marks and Spencer, n.d.).

3.0. MOTIVATION

3.1. DEFINITION

The psychological method that directs behaviour towards a certain objective or result is known as motivation. Motivation, in the words of Locke and Latham (2004), is "a set of internal and external forces that initiate work-related behaviour and determine its form, direction, intensity, and duration." In other words, motivation refers to the elements, such as our wants, desires, goals, values, and expectations, that affect and guide our behaviour. The driving force that directs a person's actions, ideas, and feelings is another definition of motivation. When Ryan and Deci (p. 54, 2000) defined motivation, they defined it as "the energization and direction of behaviour, as well as the degree of someone's effort and persistence in the face of obstacles". This perspective on motivation describes it as a dynamic process that involves the activation, management, and maintenance of behaviour that is goal-directed. Motivation is crucial for a number of reasons. Firstly, motivation can boost a person's effort, tenacity, and performance in the direction of accomplishing their goals. When people feel motivated, they are more likely to put in more effort and maintain focus, which improves performance. Secondly, by giving people a sense of accomplishment and purpose, motivation can also increase job satisfaction. People are more likely to like their work, feel respected, and have a favourable attitude towards their jobs when they are inspired. Motivation can inspire people to think creatively and develop novel solutions to problems. When people are motivated, they are more likely to take chances and think

creatively, which produces original ideas. Lastly, improves overall wellbeing by providing a sense of control and autonomy. Its more likely motivated individuals to have positive emotions, leading to better mental health.

3.2. HOW M&S MOTIVATES ITS EMPLOYEES?

The company is using Herzberg's two factor theory for motivating staff. M&S is aware of how crucial hygienic factors are in reducing staff dissatisfaction. The employer offers fair corporate policies and procedures, safe working conditions, suitable pay and benefits, and job security to its employees. For instance, M&S ensures that workers feel safe and comfortable at work by providing competitive salaries and benefit packages, flexible work schedules, and health and safety training.

In addition to sanitary concerns, M&S concentrates on motivating its employees by giving them resources to do well at work. The organisation provides a variety of chances for both professional and personal growth, including leadership development initiatives, training and development programmes, and career progression options. Through different employee recognition programmes, such as the "Making Every Moment Special" award, which honours staff who deliver great customer service, M&S also recognises and rewards employees for their good performance. Additionally, M&S offers its staff members difficult and fulfilling tasks including developing morally and ethically good products and undertaking programmes to lessen the business' environmental impact. According to Herzberg's thesis, employees may be motivated by this sense of accomplishment and purpose. Overall, by offering hygiene elements to minimise employee dissatisfaction and motivators to boost job satisfaction and motivation, M&S's approach to employee motivation is in line with Herzberg's Two-Factor Theory (Herzberg Mausner & Snyderman, 1959).

Marks and Spencer (M&S) have put in place a number of methods to inspire its staff. Programmes for staff recognition and reward are one of these tactics. According to Burt & Sparks (2003), M&S has a "Shining Star" programme that honours and promotes exceptional staff achievement. This programme encourages workers to give their best efforts by giving them observable prizes like gift cards, certificates, and cash bonuses. Career advancement and training opportunities are another tactic. Through training programmes and promotion tracks, M&S gives its employees the chance to advance their careers. By giving people a sense of personal growth and career advancement, this encourages employee motivation (Burt & Sparks, 2003). Additionally, M&S places a high priority on communication and staff involvement. To keep people informed and involved in the company's aims and values, the corporation regularly interacts with its employees through newsletters, team meetings, and other means (Burt & Sparks, 2003). By giving them a feeling of inclusion and purpose within the company, this encourages workers. Overall, M&S's methods for employee motivation have been effective in creating a pleasant workplace and a high degree of dedication and involvement among workers. Overall, motivation is essential for the reason that it may enhance wellbeing throughout, performance, job satisfaction, creativity, and innovation. By building a motivating work atmosphere, offering chances for professional development, and praising and rewarding people for their accomplishments, Marks and Spencer can help their workforce become more motivated.

4.0. CONCLUSION

In conclusion, Marks and Spencer (Marks and Spencer, 2021) has a lengthy and prosperous history in the retail sector, with a strong emphasis on top-notch goods and customer support. To enhance its operations and keep up with market competition, the organisation has employed a number of crucial tactics. In order to build a healthy work environment and retain talent, M&S has also placed a major emphasis on employee motivation and engagement, including possibilities for career development and recognition programmes. A variety of key performance indicators (KPIs) are used to gauge M&S's performance, including goals for sustainability, market share, customer satisfaction, staff engagement, and sales growth.

Overall, M&S's operations have been effective in preserving the business's standing as the UK's top retailer and growing its global reach. To be successful in the future, the company will need to keep innovating and adapting to shifting consumer preferences. However, the company continues to encounter obstacles in a highly competitive sector.

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