

Module Title: LCBB4003

Assignment Title: Introducing the Modern Workplace

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From the time of its inception until now, the concept of business has faced several developments over time as per the requirement of time (Bhattacharyya, 2019). With the development of business, different organisations doing business in the marketplace were required to be more organised in the course of operating different functions of the organisation. In the course of conducting different business activities, many of the activities are found to be good for the organisation and some are found to be bad for the company (Robbins et al., 2018). Organisations have been observed to repeat the good practices which brings better outcome for the organisation and make such practices permanent in the organisation and hence make it a culture of the organisation. In this particular paper, the organisational structure and culture of Tesco will be discussed and how they affect the performance of the company. Tesco PLC is the largest grocery and merchandise retailer in the UK which was founded in 1919 (Tesco.com, 2020).

The term ‘Organisational structure’ has been defined by Alblas and Wijsman (2019) as “Organisational structure denotes to outline or a framework of organisational workforce following which the tasks and activities of the organisation are allocated, directed, supervised and coordinated towards attaining the organisational objectives”. Therefore, organisational structure can be regarded as the design of the organisation which represents who will manage whom and who will report to whom while conducting the operations of the company (Schein and Schein, 2015). Since business organisations started to be larger in size and expand its operation, the organisations were required to operate the business in a more organised and structured way and hence different types of organisational structure were developed. There is four major organisational structure.

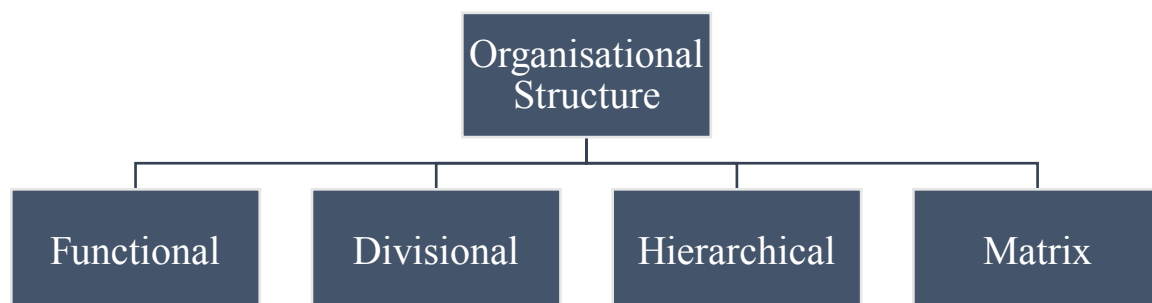


Figure 1: Different Types of Organisational Structure

Source: (Robbins et al., 2018)

In the functional organisational structure, an organisation and different tasks of the organisation are set as per different functions of the organisation such as production, marketing, human resource management, customer service and so on (Schein and Schein, 2015). In this organisational structure, the workforce of the organisation is divided into different classes based on the specific function of the organisation and the overall team or group is centered to that particular function. Therefore, the organisation can achieve more productivity in different functional areas of the organisation. On the other hand, the divisional organisational structure maintains the leadership of the organisation focusing on the products or projects of the organisation (Alblas and Wijsman, 2019). The division of the organisation can be for organisational products in case the organisation has a variety of products to deal with or different projects or operational area in case the organisation operates in different places or projects. Again, the hierarchical organisational structure denotes to an organisational framework where all the employees of the workforce remain accountable to one person and that person is not accountable to anyone for his actions (Schein and Schein, 2015). Here each employee has an immediate superior and subordinate and there is a chain of command among the employees and every employee ultimately reports to the person remaining in the top of this chain. Lastly, the matrix organisational structure denotes to the fusion or mixture of more than one organisational structure. For instance, an organisation may have a functional organisational structure to be followed for operating in different divisions. There are different international organisations such as Vodafone Group which operates in different countries and has a distinctive functional structure in every divisional region governed by the headquarter of the company which is situated in the UK (Bhattacharyya, 2019).

Tesco Plc in the course of operating its business maintains organisational structure in two different levels namely the corporate governance level of the organisation and the store management level (Adewuyi, 2016). The corporate governance structure is mainly comprised of the top-level management and responsible for the formulation of corporate strategies and decisions towards achieving the ultimate goals and objectives of the organisation. On the other hand, the store management body or structure is responsible for the operation of the stores and hence reports to the corporate governance body.



Figure 2: Corporate level structure of Tesco PLC

Source: (Dudovskiy, 2016)

Since Tesco is the largest grocery retailer in the UK, it is very complex for the organisation to manage all the corporate and operational level strategies (Tesco.investors, 2020). Hence, the company follows a hierarchical organisational structure in both corporate level and operational level strategy. Having a different structure in the corporate level enables the top management of the organisation to formulate more effective corporate strategies and control the implementation of the strategies accordingly (Schein and Schein, 2015). Thus, the top management of Tesco can have more effective control over the business and operational function and middle and lower-level management.

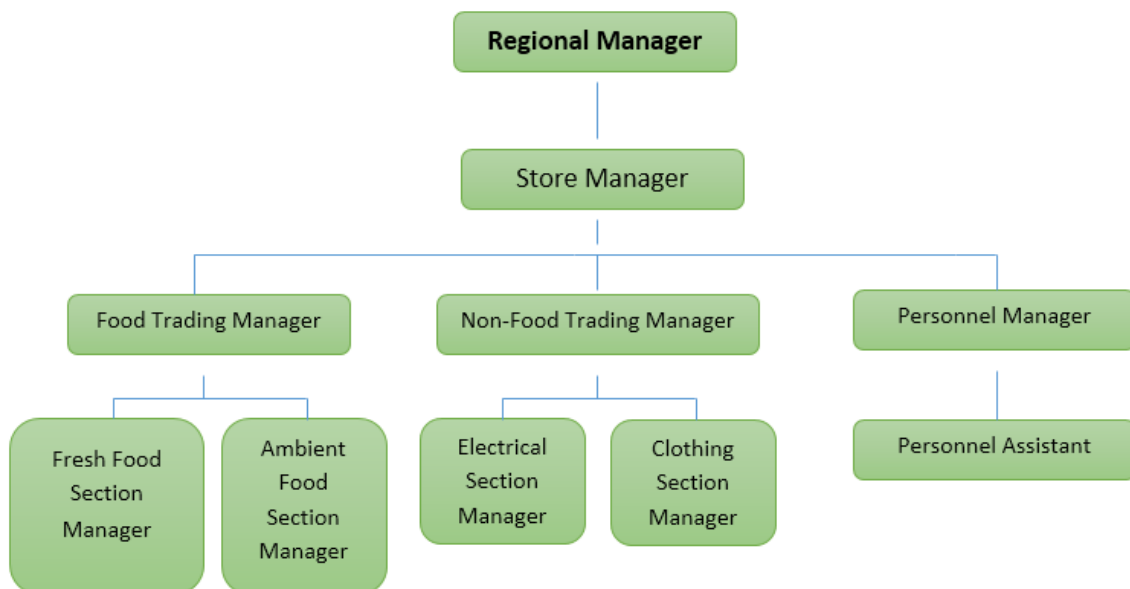


Figure 3: Store level structure of Tesco PLC

Source: (Dudovskiy, 2016)

Since Tesco is a large business organisation having huge numbers of stores around the world which are of different size, there are different level of operational management in Tesco

(Adewuyi, 2016). For instance, in large stores, there are three or four levels of management wherein small stores, it has two or maximum three levels of management. In the store level as well, Tesco maintains a hierarchical organisational structure. Since hierarchical organisational structure supports one-to-one communication channel hence there remains more control over subordinates and more support from the superior (Robbins et al., 2018). Thus, the employees can learn effectively from the superiors and hence enhance their performance and the managers can have more control over the performance of the employees. Again, in the hierarchical organisational structure, there exists clear and one-way accountability as well and so an employee is accountable for his action to his immediate superior (Dudovskiy, 2016). Thus, controlling the actions and monitoring the performance of employees becomes easier which further contributes to increasing the productivity of the organisation by improving individual employee performance.

In accordance with Idowu (2016) “Organisational culture is regarded as one of the essential factors in terms of developing effective business traits with regard to attaining organisational success”. In general, the term organisation can be defined as the collection of behaviour, attitude and values that the organisation comprises which reflects on the daily operation of the organisation. By developing effective and positive organisational culture as per the requirement of the industry, market, competition and the organisation, an organisation can secure its development and successful sustainability in the marketplace. In this regard, the study of Yusof (2019) has observed that organisations having a strong and positive organisational culture is 1.5 times more likely to have growth in their revenue and stock by 15%. The term ‘Organisational culture’ has been outlined by Idowu (2016) as “Organisational culture signifies the assortment of behaviour, practices, values and expectations which guides the informed action of the organisational workforce”. The culture of an organisation is reflected by the actions of its employees and hence formed by the leaders of the organisation. In this regard, Yusof (2019) has provided that organisational culture is traits which are developed by the leaders and hence distributed to the employees to be practised within the organisation.

Since organisational culture has been able to attract the attention of business organisations, management of different business organisations have become more concerned regarding developing and practising a healthy culture within the organisation as it supports organisational success and attainment of the organisational goal (Schein and Schein, 2015). There is no particular culture which can be defined as perfect culture as different organisational culture proved to be effective in different regions and situations. Therefore, scholars and researchers

have identified four distinct types of organisational culture that an organisation may develop and they are as follows.



Figure 4: Different Types of Organisational Culture

Source: (Idowu, 2016)

In the **clan culture**, the primary focus is on teamwork and mentorship and the leaders in this culture are devoted to developing the employees and the working environment of the organisation is like a big happy family (Yusof, 2019). In this organisational culture, the employees are highly motivated and engaged towards the organisation and hence their performance is improved. This culture is suitable for small organisations but under this culture, the organisation may feel difficulties when it grows. The **adhocracy culture** is entrepreneurial in nature in which the primary focus is on innovation and risk-taking. Under this culture, leaders highly focus on innovating and product development so that it can bring the next big thing in the market (Idowu, 2016). The major advantage of this culture is that it receives a high profit and growth margin on successful innovation and also employees remain motivated due to promoting creativity and exploring opportunity in the operation of the organisation. But there is a huge risk under this organisational culture. The next class of organisational culture is the **market culture** which prioritises profitability and hence the major concern or focus of the companies under this culture remains on competition and growth (Schein and Schein, 2015). The leaders nurturing such culture in the organisation always looks forward to increasing organisational productivity and profitability so that the organisation can have sustainable

growth in the market. Lastly, the **hierarchy culture** of an organisation denotes to the culture in which the primary focus of the leaders is organisational stability and structure and so the leaders always try to get the organisational operation done properly in a stable and structured way so that the corporate objectives can be achieved (Idowu, 2016). With a structured operation plan and set objective, the organisation following hierarchy culture can achieve its expected goal.

As long as the organisational goal of Tesco PLC is concerned, the company is the largest grocery retailer in the UK and third largest in the whole world (Tesco.com, 2020). The company offers food and non-food items to the customers with a wide range of stores around the UK and is competing successfully with other competitors. The company operates in a very structured way with a hierarchical organisational structure. The managers and leaders of the company develop and practices the hierarchy culture within the organisation where the organisation produces an operational plan as per the organisational objectives and leads the employees to perform properly as per the set plan and objectives so that the determined objectives of the company can be achieved (Dudovskiy, 2016). All the functions and substances of the organisations are managed by the managers of the organisation based on the corporate and business plans. In accordance with Adewuyi (2016) “Tesco is creating an organisational culture where people of all kinds can gather together and flourish in an affirmative and rewarding environment”. Since Tesco follows the hierarchy culture, the level of authority and responsibility is clear to the whole workforce and so it is easier for the managers to control the tasks and operations performed by the employees. As per Tesco.investors (2020) “Since the organisation of hierarchical culture is stable and structured, the employees of such organisations get different benefits such as on-time wages, incentives, bonuses and so on which enables the organisation to make the employees more motivated and engaged to the organisation”. In the structured organisation's system, the employees and managers can have an effective communication among them and since all the things are planed and structured it saves lots of time and effort for the employees. thus, with the organised process and structure, the hierarchical culture is enabling Tesco to attain maximum productivity through the operation of the company (Adewuyi, 2016). Moreover, the structured and stable culture is enabling the organisation to perform better and have a competitive advantage and sustainable growth in the marketplace.

In conclusion, it can be said that organisational structure and culture are two of the major concerns for any of the business organisations. These factors play significant factors in the

growth and development of the organisation. The success of the organisation highly relies on the undertaking of appropriate organisational structure and culture. As long as the organisational structure and culture of Tesco PLC is concerned, the organisation has successfully undertaken appropriate structure and culture which has highly contributed to the increasing performance of the company.

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