

Organisational Structure and Culture

Marks and Spencer

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Introduction

This paper's aim is to analyse how does the relationship between an organisation's structure, culture, people and performance guide it to success. The paper will also focus on values that Marks and Spencer has when coming to management strategies and leaders.

For over a century Marks & Spencer (M&S) has been a legendary UK retailing organization. M&S's management and marketing have been acknowledged as examples of 'best practice'.

A. Analyse the relationship between structure, culture, people and organisational performance

Organisations are said to have entrepreneurial orientation when a group of innovator organisational members are working together, producing fresh ideas and they are provided with a prevailing atmosphere conducive to acting on those ideas (Miles and Arnold, 1991).

Organizational structure and organizational culture belong among the concepts with the highest explanatory and predictive power in understanding the causes and forms of people's behaviours in organizations. Consequently, these two concepts are often used in research as independent variables in explanations of numerous phenomena found in companies and other types of organizations. The influences of organizational structure and culture on other components of management are usually researched separately and independently from one another. However, there are examples of research that analyzes the influence on management of both culture and structure in their mutual interaction (N. Janićijević, 2013). Organizational culture is an intrinsic factor of organizational behaviour, inasmuch as it directs the way people behave in an organization by operating from within and by determining assumptions, values, norms, and attitudes according to which organization members guide themselves in everyday actions in the organization. On the other hand, organizational structure is an extrinsic factor which influences people's behaviour from the outside, through formal limitations set by division of labour, authority distribution, grouping of units, and coordination. Therefore one's behaviour in an organization is the result of the impact of its culture and structure, as well as the influence of other factors. Therefore studying the mutual impact of organizational culture and structure is important for a comprehensive understanding of the behaviour of an organization's members (L. Altinay and M. Altinay, 2014; N. Janićijević, 2013).

The company was founded with strong values of fair trading: treating staff well, building long-term shared destiny relationships with suppliers, and offering good quality and a liberal approach to customers wishing to return / exchange goods purchased. This paternalistic approach included generous contributions to charities and community causes, developed further around the company's centenary. M&S changed its leadership, fought off the hostile bid (thanks in part to the residual loyalty of an army of small-scale, private investors, customers and commentators), and as part of its recovery plan, overhauled the long-standing commitment to corporate philanthropy and

community involvement, in favour of embedding higher standards of environmental and social performance across the business (D. Grayson, unknown year).

Marks & Spencer was controlled and developed for over 50 years by Simon Marks, who was regarded by retailers as one of the century's retailing giants. When Lord Rayner assumed control in 1984, as the first non-family Chairman for over 70 years, he took the company on an expansionist track, both within the UK, where the selling space was tripled, and abroad with the purchase in 1988 of Brooks Brothers and King's supermarkets in the USA, and the rapid expansion of Marks & Spencer stores on the continental market. In the late 1980s and 1990s, Hong Kong and the Asia Pacific region became an immensely important area of trade, with growth doubling every three years (K. Mellahi, P. Jackson and L. Sparks, 2002).

M&S follows a flat organizational structure. This type of structure has limited levels of management between administrative level and front-line employees. This structure is followed in organization to encourage employees in more decision making process. This structure is followed basically to decrease leadership and make employees more skilled and competent by allowing them to make decisions. And due to less management levels communication between upper managers and base line employees become easy which allows rapid change and problem solution (Strinfellow, 2010).

Marks and Spencer's has to coordinate its team goals and knowledges in order to achieve success, the performance of the business, teams and individuals need to be aligned to support strategic aims and goals (L. Altinay and M. Altinay, 2014).

B. The essential nature of managerial work (in terms of both functions and processes), communicate the role of leadership, and furthermore, explain the variables that determine effective management and leadership

The relationship between the satisfaction and employee productivity and learning is very significant and important for the organizations that coordinate with productivity and the training play among a very important role in this process (Chiaburu and Tekleab, 2005). The environment of today's world is necessary for the organizations to equip with the new skills that provide insight support for the value creation and career development. The role of training enhances the employees' productive capacity, motivation, satisfaction and commitment in the organizations (Chiaburu and Tekleab, 2005).

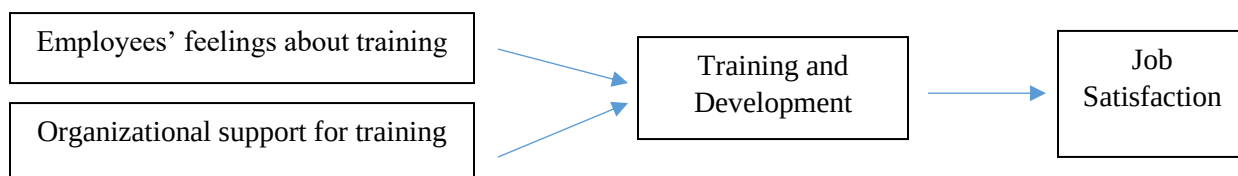


Fig. 1: Framework reaching job satisfaction for employees

Source: F. Shaheen, M. Ghayyur & G. Yasmeen, 2014

An important value that M&S adopts for its employees are training for its staff members. The training and development program practiced in Marks and Spencer's for the human resource performance results in equipping the human resource for the challenges of performance barriers. Marks and Spencer take initiatives for human resource in the field of training and development. Remuneration based training and development contribute for dual advantages one advantage would be the active participation of the trainees for the transfer of skills and another advantage in this regard is the right intellectual capital (F. Shaheen, M. Ghayyur & G. Yasmeen, 2014).

Besides providing trainings and ways to develop for their employees, Marks and Spencer's leadership also tries to learn people to adapt to changes. With a former failure in the past, when people did not take good the change, the management knows now very well that how people react and adapt to both internal and external changes is crucial in growing their business.

The company believes that customers' loyalty is important, but also is the loyalty of their employees. The management tries to gain their trust through respect and engaging them in different responsibilities. The management created trust-based relationships with employees, building an inclusive culture, stimulating innovation, and creating longterm shared destiny relationships with staff crew. The leaders are engaging the employees in M&S's strategies so that they can build together and offer the best products and these lead to performance and positive feedback for teams and individuals coming from customers. Designing and implementing courses that raise the competency and help them learn the process, but also enable people to develop knowledge, skills and behaviour attributes to perform at consistent high level (N. Borden, 1964).

C. Evaluate the behavioural approach to management, through understanding the factors that affect differences in individual behaviour

For firms that market to business customers to prosper, "the challenge is to determine what customers want and whether they are satisfied with the company, its products, and its service" (T. Miller, 1992).

"We are committed to driving a sustainable business that is both commercially successful and socially and environmentally responsible. This includes providing our employees in the UK and overseas with a safe and healthy working environment and having an organisational culture which promotes diversity, inclusivity, personal development and respect. We know it's our people who make M&S successful. We want people to enjoy coming to work and for the workplace to be free from discrimination, harassment and victimisation."¹

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¹ <https://corporate.marksandspencer.com/sustainability/people>

people who make Marks & Spencer successful and therefore they want people to enjoy coming to work and for the workplace to be free from discrimination, harassment and victimisation.

Marks and Spencer invested a lot in E-commerce for all its services and products. Building the digital capabilities of their employees was the key to their transformation. They created a digitally enabled culture at M&S. The company was focused on E-commerce before too, but since Covid19 happened, they invested even more in their employees knowledge about this theme, since every customer was forced to seek their interests online.

M&S is known for their charities activities for people worldwide and in Britain especially, but they also helped their employees when they needed money for urgent situations, such as operations for tumors. They also sustain their employees and post about their success everywhere.



Photo 1: Marks and Spencer offering support for their LGBTQ members

Source: M&S' LinkedIn Profile

As said, Marks and Spencer is focused on developing and growing online marketing strategies, they are very active on their social platforms. They do be promoting their products in online envirnment, but also they promote and encourage their employees and most important, they recognise their members' values and skills.

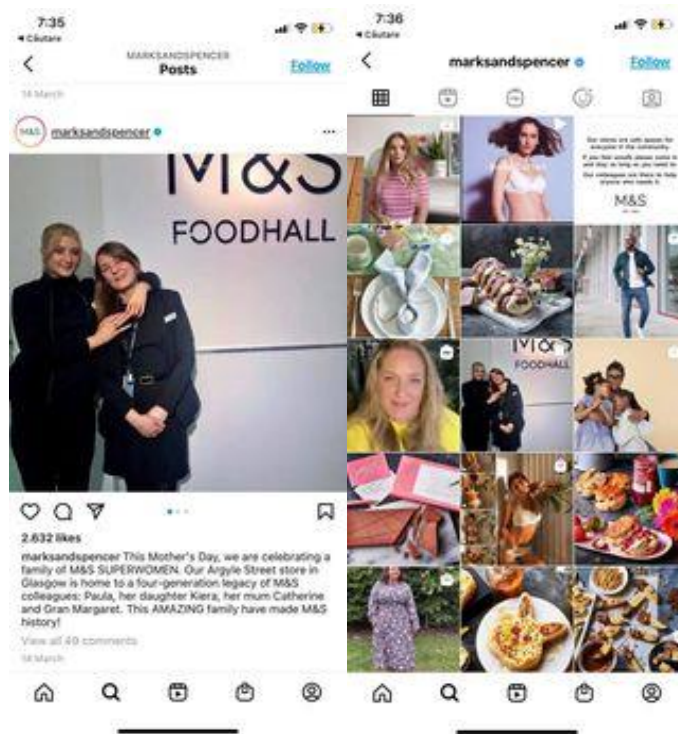


Photo 2 & 3: M&S's promoting their products and recognising their people

Source: Marks and Spencer's official Instagram Page

The organisation priority when coming to people is to support and respect every human rights. They are providing the employees with written and understandable informations about what they need to know at their job and offer trainings in order to be able to grow in a proffesional way in the company. They also offer job opportunities to student and most important for them, flexible working hours.

Conclusions

Marks and Spencer is a leader on Britain's market, but management and leadrship must continuously measure performance of the business in customers' minds, against other new competitors and measure their employees' expectantions and needs. Having a powerful position or brand is insufficient and this can change everyday. In any organisation, managers at all levels to directors have to motivate employees for efficient performance. The company's structure and culture allows the stuff members to take decisions so in this way the become more responsible. This also a good thing because front line employees are closer to the customers so they can identify their needs more easily than a leader or manager. Allowing the employees to be part of the decisions and making the responsible leads to better performance from their part and when the employees perform, the organisational performance comes nevertheless. People need to be stimulated in order to keep this performance, so Marks and Spencer has to reward their employees with a "thank you" recognition and also benefits which can come in many forms. Regularly reviewing our rewarding the stuff, ensures they are attracting and retaining the performance,

remain objective They seek to encourage and recognise business and individual performance to any employee, not mattering the country which they work in.

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