

Understanding Organisational Structure and Culture

Component 2: Individual Report

**Investigating the Role of Communication in the Business Environment: A Case Study of
Tesco PLC**

Programme: BA (Hons) Business Management

Module: Understanding Organisational Structure and Culture

Module Code: LCBB4009

Assessment: Component 2 – Individual Report

Case-Study Organisation: Tesco PLC

Word Count: 1,500 words

Student ID: 2423510

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1. Introduction

Business communication is the systematic sharing of information inside and outside the organization to manage activities, provide information for decision-making and maintain relationships with employees, customers and stakeholders. It is not a function to support in a large organization with dispersed geographical locations, but rather a determinant of the operational performance; furthermore, an increasing research body associates effective internal communication with employee engagement and effectiveness of the organization; reaching its higher level of academic interest during the year 2018-2020 (Nadales-Gallego et al., 2025). This is a study on Communication at Tesco PLC – the largest grocery retailer in the United Kingdom with thousands of stores, distribution centers, head office in Welwyn Garden City and several hundred thousand employees. The aim of this report is to assess the methods Tesco employ and to analyse the various communication issues faced by Tesco, as a large and diverse organisation and to suggest evidence based improvements. The use of Tesco as a case study is useful as it has a wide spread number of outlets, various methods of communication and an average of many people working for them, which can be useful in examining the benefits and limitations of modern business communication.

2. Communication and methods

Effective business communication is the exchange of meaning – accurately, timely and appropriately – resulting in a common understanding and empowering action, preferably involving two way rather than simply downward flows. It is consistently found that a two-way communication (TWC) that is leadership-led and multi-channelled, correlates with increased engagement (Nadales-Gallego et al., 2025), marking a benchmark against which Tesco's practices can be assessed.

Tesco communicates daily, by means of email, meetings and a staff intranet. These are quick and cheap and provide an audit trail, but, especially when used at large scale, can be impersonal and overwhelming as the volume of email grows, as explored in section three. Team briefings and training enable managers to instruct priorities and develop competence in an immediate and feedback way, but with a requirement for managerial consistency on a wide number of sites. Reports and performance information, such as annual reports or store-level information, provide transparency and accountability to shareholders and managers, yet can become too dense to be meaningful and – like Tesco's past – can be used to “creatively” report results as needed to meet targets.

Externally, Tesco has customer-service channels, social media and other ways to hear from customers and respond in real time – both responsive and public facing, which is good for its reputation if handled well, and bad for it if there is a gap in messages. Personalised and data-rich, targeted communication and self-service via advertising, website and mobile apps (including Clubcard app) can have a risk of excluding “less digitally savvy” customers and staff. In each of these Tesco uses both formal and informal communication (policy, contract, official briefing, peer conversation, team chat as well as verbal, written, visual and digital). Every mode has its advantages and disadvantages: verbal: lots of information and immediate, but not recorded; written: precise and traceable, but slower and potentially overloaded; visual: help with understanding, but not traceable; and digital: reach and speed, but potential overload.

In fact, Tesco has taken steps to engage in true two-way communication with its customers, as evidenced by the company's 2011-2012 "Listen and Fix" initiative (see trade press coverage here as dated historical context). Employees were asked to share their views via SMS and also by email; leaders responded via SMS, voicemail, intranet and blogs and in-store communications; and the response rate, which stood at around 7% (representing over 40,000 employees), was higher than expected (Personnel Today, 2012). This was followed by tangible results like the new checkout headsets and equipment in staff areas, which show the engagement advantage of upward channels. The initiative is also very much a first step in recognizing the biggest problem with Tesco's business model: maintaining regular, excellent two-way communication with a workforce of this size and geographical spread is challenging, as discussed in the following section.

3. Common communication issues

Management level information distortion. Message and information can become corrupted or distorted as it moves through Tesco hierarchy. The most obvious example is the 2014 accounting scandal, in which an insider within the company reported to the board that it was booking commercial income at an early stage and deferring cost accruals, whereupon the company faced investigations by the Serious Fraud Office and Financial Conduct Authority (Fieldfisher, 2019). There was a communication and governance problem, not just an accounting problem, as pressure to meet targets led to a distortion of the upward flow of financial information.

Both head office and stores. Having a single head office and thousands of stores is a constant dilemma. A Tesco-specific case highlighted the importance of understanding the strategic

change, while the communication was not impressive in the early days, and the checkout staff developed negative attitudes, which was due to fear of job insecurity (Awadari and Kanwal, 2019). This provides an example of head-office decisions implementing on the shop floor without proper framing.

Language and cultural barriers. I did not find a peer reviewed study which focussed specifically on language barriers as a challenge for Tesco, however, it is a recognised challenge in internal-communication research (Nadales-Gallego et al., 2025) and is therefore put forward as a plausible risk because of the large, diverse workforce of Tesco.

Information overload. The processing power of employees can be overwhelmed by the use of e-mail and digital systems. Linkages between information overload, technology overload, and stress/exhaustion and reduction in productivity are found: information overload is associated with exhaustion, with mental-health risks in the digital workplace (Marsh, Perez Vallejos and Spence, 2024), and interruption overload, work–life conflict, stress and lost productivity are identified in a systematic review of information and technology overload in the workplace (Rasool, Warraich and Sajid, 2022).

Misaligned customer-service messages and poor communication when changing. Multi-channel service presents dangers such as saying different things from store to app to social media. There is a recurring theme when it comes to communication during restructuring – for instance, Tesco has announced a series of job losses, including a store-management restructure which has placed around 2,000 jobs at risk (Retail Gazette, 2021) with further job cuts in its headquarters in Welwyn Garden City to be determined by union consultation with Usdaw (BBC News, 2025), and the company's complete exit from Poland included a series of store de-groupings and negotiated redundancies (Eurofound, 2020). This change is often creating uncertainty for concerned colleagues again and again.

Limited feedback upward and misunderstanding store warehouse. A good example of this is the long-standing equal pay dispute, involving approximately 60,000 workers, which focuses on store workers earning up to £5.50 an hour less than distribution workers, highlighting the differential value communicated and recognised to the individual groups (Leigh Day, 2018, Grocery Gazette, 2026).

4. Recommendations

Tesco should have regular, store level communication audits, store by store operations manager owned, with an objective of a minimum 10% improvement in communication scores on the staff survey (Viewpoint) within 12 months. It should create more succinct, better defined employee communications with a house-style that belongs to the Internal Communications Director, with a clear ambition to reduce the number of emails that employees receive measurably over one year to counteract the risks of email overload identified by Marsh, Perez Vallejos and Spence (2024). Organise and make available multilingual and accessible details to Tesco on safety critical (owned by HR) and change communications to overcome language and culture blockages to full coverage of high diversity stores. It should help to reinvigorate two-way feedback processes under the ownership of the People Director, which have been known to be responsive to a 7% target (previously achieved, Personnel Today, 2012) through the "Listen and Fix" process. It should require communication and cultural-awareness training for store managers and head-office managers; and ensure consistent messaging across stores, websites and apps through one approvals workflow, which is owned by the Customer Experience Director. Named responsibility exists about each recommendation, along with a measurable target, for accountability.

5. Conclusion

This report has focused on Tesco's communication and the issue and solution that Tesco is experiencing. These are mostly formal and informal, verbal and written, visual and digital, methods including: email, meetings and the intranet; briefings and training; reporting; customer-service and social channels; advertising; websites and apps; each of which has its own strengths and weaknesses. The primary challenges are information distortion between management levels, the disconnect between head office and stores, language and cultural barriers, information overload, lack of consistency in communicating with customers, poor communication when stores are reorganised and differences between store and head office feedback particularly prevalent. The recommendations are in direct response to this, with communication audits, clearer messaging, easily-available materials, better feedback systems, training and cross channel consistency, each with an owner and a target. Tesco's engagement and performance are all about effective, truly two-way communication that should be continually invested in.

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