

# Case study: tesco business

Business



**Point of View** The type of leadership style adopted by managers often depend on; (1) the specific situation that warrants the decision making, whether the action required is immediate or not, and (2) the potential impact of the decision on the business.

Usually, faster decision making requires autocratic style of leadership, while democratic style is adopted when the leaders intend to minimize resistance during implementation of the decision. Laissez-faire approach on the other hand may have serious negative consequences on production, especially when the subordinates are people who can only work under supervision.

**Statement of the Problem** Tesco deals with a critical customer-orientated task, which requires high level of skills and high level of concentration when operating the bakery machine to be able to produce high quality products that provide value for money to the customers, in order to maintain its market leader position and to improve its competitive advantage in the market. The results achieved are directly attributed to the leadership of the business. For this reason, Tesco's management is facing a problem and dilemma on the style of leadership to adopt that can produce good results. This is the problem that this case study seeks to answer.

**Areas of Consideration** Before making a decision, the managers will consider the task at hand, the level of skills of the people involved and the quality expected by the customers. For instance, this production involves human food that must meet safety and quality standards for consumption. Various internal and external factors such as the level of skill and experience of the employee may also affect the choice of the leadership style used. For example, injury of any staff results into compensation loss paid to the worker

and may lead to stalling of the machine. Therefore, a directive style of leadership that clearly communicates the responsibilities of every member needs to be adopted to avoid speculation during operation that may adversely affect the outcome. Another item to consider is the time limit available to make the decisions.

When faced with any of these challenges, the management may also consider historical interventions that were adopted to handle such case.

**Alternative Courses of Action** In case the bread is overcooked, or the quality is below standard as a result of any of the above reasons, Berian may use a persuasion to convince customers to accept a replacement product in place of the product that is temporarily out of stock. This alternative course of action helps the business to build customer Tesco brand loyalty. Equally, Tesco may also replace all the poor quality products already sold to the market at no cost, followed by apology statement. This will make the firm to incur losses in the short run, but build its image for future market in the long run.

Finally, Tesco should adopt a policy that permits only the experienced people to operate the bakery machines. New employees who work in other sectors that do not require technical skills, should be trained before they are allowed to operate machines. This will guarantee quality and minimized injuries.

**Decision** The best leadership style that Tesco needs to adopt is a combination of autocratic and consultative leadership styles. The autocratic style (tell approach) gives a direction of what is to be done especially when dealing with new employees. This will help avoid detrimental consequences such as injuries incurred as a result of poor operation of the machine, or

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overcooking and burning of the products, which has great effects on the business as well as the firm's image.

Consultative style, on the other hand, should be adopted when dealing with team leaders who are more experienced in the production process.

Recommendation Tesco management team needs to empower the team leaders to make certain independent decisions without their approval to be able to solve minor problems faced during the production process. This responsibility brings about accountability and minimizes time wastage on simple approvals from managers, thus increasing productivity. Through this, Tesco will be capable of developing the leadership qualities of its employees throughout the organization, from administrators and customer assistants to the board of directors. Laissez-faire style of leadership must not be employed by Berian, who is the manager of Tesco, if there is a determination to achieve meaningful results.