

A business overview of marks and spencer



Marks & Spencer plc is one of the UK's leading retailer companies in food, clothing and home products. Having more than 21 million UK customers with an annual turnover of £8.16bn Marks & Spencer are also an expanding international force, now in 40 territories.

MISSION STATEMENT

A team of 78,000 people and over 2,000 suppliers form the bedrock of our business, ensuring our brand will continue to offer Quality, Value, Service, Innovation and Trust.

<http://annualreport.marksandspencer.com/about/business.aspx> on 24th September '09

Although M&S deals in three different areas in this study we will just focus in the performance management of food sector.

M&S is UK's leading provider of good quality food on every occasion and for every appetite with annual sales of £4.2bn. M&S sell everything from grocery, fresh, produce to ready meals and partly prepared meals, retaining their commitment to the highest standards of innovation, ethical sourcing and healthy eating.

Be able to set performance targets to meet strategic objectives

1. 1 Assess the links between team performance and strategic objectives

Performance Management

Performance management is a process of corresponding effectively the goals of the company. It evaluates performance of the employees and also rewards them on a fair basis.

to show their employees are given value successful companies practice target planning. Skill development and target management. Overall productivity and the morale of the team is increased by effective performance and good target management.

Performance management is a technology (i. e., science imbedded in applications methods) for managing both behaviour and results, the two critical elements of what is known as performance. (Dr. Aubrey C. Daniels), 2004

It is an immutable law in business that words are words, explanations are explanations, promises are promises-but only performance is reality”

~Harold S. Geneen

Team Management

It is difficult to build a team and maintain good working relationships.

However, team members go through a number of development stages to work together effectively in team performance management. Individuals

performing well are rewarded while those who are not performing good are motivated.

The functions and roles of its members should be recognised by its team. The leader should establish continuous communication lines and set clear goals that are understood. A team that performs well accomplishes projects quickly and with less difficulty, misunderstanding, and divergence.

Strategic Objectives

Strategic goals or objectives are broad, high level aims, derived from organisation's mission statement and purpose, affecting the whole organisation (sometimes referred to as corporate aims). These will be:

Long term (time horizon of several years), although they should be monitored regularly (typically annually) and may be revised periodically.

Responsive to external factors such as new competition, changes in global economic conditions, or customer demands.

The term 'strategic' denotes a particular focus of the managers' planning and decision making responsibilities. Senior managers focus mostly on 'why' questions, concentrating on the 'big picture' and providing vision and leadership for employees across the whole organisation.

Alignment of team performance and corporate goals

To achieve the corporate aims it is necessary that the direction of the teams is towards the long term strategic goal. Managers and team leaders have to keep in mind what they need to achieve overall. And hence, to control the

teams in such a way that either they are working on long projects or short it's all adding up to the final goal.

In the case of Marks & Spencer Food the main objective of the company is to provide good food with best customer service. To achieve this there has to be a proper direct and control system of the staff working at the stores from the top management to the staff working on the floor. A good communication and understanding will always lead to easy achievement of goals, satisfying the customer at the end. Managers are supposed to take into account the demand and supply of the products to make sure every product is available in the store on time and then work should be allocated to the subordinates in a proper system to get all the work done systematically and easily. Proper team management should be done by the supervisors and the team leaders. All the staff should be divided into small teams which have to work in different sections. Proper training should be given to all the team members and a standard way of achieving the goal which is normally working on 42 cases in 60 minutes. This performance target should be given to all the team members and should be monitored and reviewed constantly. This standard should be according to the company policy and should be according to health and safety and customer satisfaction oriented. Providing good work at the end of every shift which is the availability of all the products on time with good customer service.

Evaluate tools and techniques available to set team performance targets

The following are few tools of setting targets for team performance:

Kaizen

Just in Time (JIT)

Kanban

Six Sigma

Kaizen

Kaizen is a Japanese management method of incremental change. This philosophy assumes that every aspect of our lives needs to be improved. The key elements of Kaizen are:

Effort

Quality

Involvement of all employees

Communication

Willingness to change

Just In Time (JIT)

Just in Time means the production of goods to meet up customer demand precisely, in time, quality and quantity, whether the `customer' is the final purchaser of the product or another process further along the production line.

It is the means of producing with minimum possible waste. Elements of JIT are:

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Continuous improvement.

Attacking basic problems – anything that is not adding value to the product.

Devise the systems to identify problems.

Simplicity –

Time saving on the movement of materials.

Quality of the output is the own responsibility of every worker.

Prevent mistakes

Eliminates waste.

Kanban

Kanaban system is also of Japanese origin. Simply described a “ pull” production or manufacturing system that controls the flow of work through a factory by only releasing materials into production according to customer demands i. e. only when they are needed.

Six Sigma

“ Six Sigma is a method to achieve near perfect quality. Any service or element of production can be focused by six sigma analysis and has a strong emphasis on statistical analysis in design, manufacturing and customer-oriented activities.”

The UK Department for Trade and Industry, 2005

Assess the value of team performance tools to measure future team performance

For M&S the team performance tool of Kaizen would work perfect which is also aligned with the company objectives, being effort, quality, involvement of all employees, communication and willingness to change.

One of the main objectives of Marks & Spencer is to provide quality products, so strict standards should be followed to maintain the quality of the products. No work or target can be achieved unless effort is put into it from top to bottom level. All the employees from the manager, supervisor and leaders to the floor staff members should bring together their combine effort to achieve the goals in the long run and to maintain its reputation. By the involvement of all the employees it can be done with a proper means of communication from top to bottom so that there are no miscommunications or lack of communications between the management and the staff, causing any loss of opportunity or dignity. And the willingness to change and to improve with time is the only goal which can lead the company towards high performance and with satisfied customers.

Be able to agree team performance targets to contribute to meeting strategic objectives

2. 1 Analyse how to determine required performance targets within teams against current performance

Effective goals are always SMART. It means that they should be

Specific, clear, straight forward and understandable

Measureable in terms of quality, quantity, time and money

Achievable

Realistic, it should be within the capabilities of the individuals

Time bound, goals and targets need to be achieved on time

Manager responsibilities

The manager in Marks & Spencer should explain goals and objectives clearly not focusing on negative aspects. He should set an example by leading, he should show his commitment by his performance. He needs to do all the documentation and planning job. Provide updates on the work, take feedback, provide resources and reinforce.

Assessing the performance can be done by taking the feedback and comparing it with the planned targets. Amending or changing it according to the need. Inform the team their areas of responsibilities and where focus or change is needed. Motivating them and keeping record of all the documents.

2. 2 Discuss the need to encourage individual commitment to team performance in achievement of organisational objectives

It is the responsibility of the employees to be committed to the achievement of the M&S's goals. Communicate and cooperate with the supervisor. To do all this they need to be motivated.

Motivation

Motivation is the activation of a behaviour which is target oriented. The team needs to be motivated to put more energy in achieving their targets. This motivation can be done by fulfilling the needs of the employees so that they

get more devoted to the goals or targets. This can be done by giving bonuses i. e. cash, promotion or any other facilities for their social needs.

Many theorists have presented different type of motivation theories.

2. 3 Relate the application of delegation, mentoring and coaching to the achievement of the organisational objectives

Delegation

As Marks & Spencer is growing managers need to focus increasingly on the more strategic aspects of their roles and to delegate operational and support responsibilities. This opens the opportunities for the managers to share tasks and decision making.

‘ Delegation is process of power sharing in which some part of the legitimate authority is transferred by the managers to team members but the overall responsibility of the task is not transferred’. Cole,(2004)

The employees start learning to trust, the delegation should make the objective clear. Training and guidance should be given. It should also be reviewed and monitored but too much control will not fulfil the idea of delegation.

Mentoring and Coaching

Mentoring and coaching is a structured way of supporting professionally those who are learning or trying to achieve something. Mentor is an important role to be played in today’s businesses. Employees get a chance to explore their views and idea and then they take guidance from experienced and skilled staff or people. This will help them learn the skills

and attributes which may help them achieve the organisational goals or Marks & Spencer's goals.

2. 4 Evaluate a team performance plan to meet organisational objectives

An Initial Performance Plan is a detailed plan for either an individual or a team and is used to:

Identify the desired performance levels

Identify how these performance levels will be achieved

Provide guidance and direction

Measure progress towards the desired performance levels

Although there are no strict rules as to the format of a Performance Plan they normally contain the following information:

Specific goals for development

Performance measures

Actions required to achieve goals

An indication of how long goals will take to achieve

Individual and team Performance Plans should align with the organisation's overall objectives. This can be achieved by aligning the:

Performance Plans with the Team Operational Plan

Team Operational Plan with the Team Purpose

Team Purpose with the organisation's Strategic Plan

Be able to monitor actions and activities defined to improve team performance

3. 1 Assess the process for monitoring team performance and initiate changes where necessary

Monitoring and measuring

The managers of Marks & Spencer should monitor the work at all stages. The purpose of monitoring include:

Identifying & tracking progress against organisational goals

Identifying opportunities for improvement

Comparing performance against both internal & external standards.

Feedback & information

Effective feedback loop is essential for monitoring and measuring performance

Senge discusses two types of required feedback

Positive feedback – seeks to increase the output that caused it (i. e. encourage positive performance)

Negative feedback – seeks to cancel the output that caused it (i. e.

Recognise where performance is falling below expectations & identify ways to enhance it).

The managers at Marks & Spencer should seek feedback from employees and customers. As it is very important to know what the company is delivering is actually satisfying people or not. The employee feedback should be in the form of asking them whether they are satisfied with the current policies and the environment of work or are they being over burdened.

Performance evaluation

It is important to look at the reasons behind performance. McKinsey's 7-S model is a helpful framework for exploring why a performance deviation might have occurred.

Systems - are they in place and capable of meeting requirements?

Skills (competencies) - do functions, teams & individuals have requisite competencies at sufficient level to meet challenges & performance requirements

Structures - are we organised appropriately & operating together sufficiently well to deliver results

Styles - do the styles of management support & encourage performance success? Do they motivate?

Strategy - is the strategy appropriate given the market conditions? Are goals realistic?

Shared values (culture) - is our culture appropriate?

Staff - have we sufficient staff of the right calibre in right roles?

3. 2 Evaluate team performance against agreed objectives

The manager in Marks & Spencer should explain goals and objectives clearly not focusing on negative aspects. He should set an example by leading, he should show his commitment by his performance. He needs to do all the documentation and planning job. Provide updates on the work, take feedback, provide resources and reinforce.

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3. 3 Evaluate the impact of the team performance in contributing to meeting strategic objectives

If you wish to enhance team performance, develop some team measures.

Measures can be set around:

The overall objectives and targets for the team

Customer satisfaction targets

Absenteeism

Skill levels for the team

The Marks & Spencer management should keep proper record and control of the overall objective of the company whether they are being achieved by team or not. Are the customers being satisfied by the service provided. Is the staff playing their role properly in the team i. e. achieving targets, following

company policy, time punctuality and absenteeism etc., and the level of skill for the team. If any of these things is not being achieved then certain steps should be taken in order to achieve the objective and maintain the company's standards.

Failure can be the result of one or more of the following:

Lack of support

No clear purpose

No team structure (i. e. Reviews/feedback etc)

Inappropriate system (e. g. Rewards individuals)

Dominant Vs Quiet members (all members need to be involved)

Use Key Performance Indicators (KPI):

Defined

Measurable/quantifiable

Aligned with goals

Can be used as a benchmark

Reasons for Variance:

Lack of training, motivation

Insufficient resources

Socio Political environment

Unexpected circumstances – strike, resignations etc.

Bad KPIs

It is the responsibility of the management of Marks & Spencer to fulfil any needs compulsory. Where there is lack of training or motivation, reasons should be sought and proper training should be given to the staff. If there are any insufficient resources then these resources should be arranged and provided by the management like providing proper uniform and working tools and stuff. It should be examined what is the reason of any strikes or resignation, is it demoralization or frustration. And also is the problem occurring from management side?. If the Key performance indicators are not good they should be redesigned and should be brought to be more realistic and achievable standards.

Be able to apply influencing and persuading skills to the dynamic and politics of personal interactions

Determine influencing and persuading methodologies to gain the commitment of individuals to a course of action

It all starts with good leadership skills. A good leadership is having a clear focus, communicating it to others and giving them the space to develop. To bring people with you engendering commitment and enthusiasm. Setting strategic objectives and being creative in helping others achieve against those objectives.

Work climate should be assessed and improved if necessary.

There are two types of work climates.

Stormy climate is where there is lack of understanding of the goals and roles. People feel trapped in a box and there is lack of appreciation and physical environment hinders in good performance.

Sunny climate allows people to take initiatives. People understand their roles and contributions and there is appreciation in their work. Physical working environment is also good.

Power & Influence

There should be a proper relationship between power and influence. If the managers or supervisors of Marks & Spencer have only power or authority but no influence then this can also lead to failure in achieving targets and goals.

Understanding your impact on others

To understand your impact on others:

Gain feedback from friends and colleagues. Use a 360° feedback questionnaire. Analyse your strengths and weaknesses and compare them to other successful leaders in your organisation. Find a mentor who can help you understand yourself. Ask yourself what impression you and your office would give to a complete stranger. Delegate and empower to get results. Influence others by following key principles.

Discuss the impact of individual dynamics, interests and organisational politics on securing the commitment of individuals to a course of action

Everyone has a basic desire to feel good about themselves, but we achieve that in different ways. An unselfish person is motivated and rewarded by helping others. An analytical person will find reward in the analysis of a problem and minimising risks.

People feel empowered when they are able to express their styles.

Empowering also leads to motivation among the people. Marks & Spencer managers should also empower the employees within their area of work to take small decisions on time which may save time and will also motivate them. The work still needs to be monitored but too much monitoring will lose the idea of empowering.

Political behaviour is normally viewed as negative. But now people are becoming positive about the organisational politics. Political competences can help the managers of Marks & Spencer to;

Build partnerships with external organisations

Influence external decision-makers

Shape key priorities

Promote the organisation's reputation

Manage organisational risk

Constructive political behaviour can bring huge benefits. People learn by observing others, for self awareness 360 degree feedback can be useful. By giving people opportunity to experience alternative culture is important as well as a climate of learning from mistakes, at organisational level.