

# Tesco's management and leadership theories



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Tesco is a company which was founded in 1919 by a man called Jack Cohen, a grocery seller from a stall in London. The Tesco brand originally first appeared after he had brought a shipment of tea from T. E Stockwell and the first Tesco store was opened in 1929.

It started off as selling the usual food and drink products but since then expanded into areas offering alternative goods such as, clothing, electronics, finance services, mobile network, car, dental, home and health insurance, CD's, DVD's and Games.

Tesco UK stores operate under four banners which are Extra, Superstore, Metro and Express to meet different customer needs. Tesco can also be found on the London Stock Exchange. Tesco has £62. 54 billion in revenue as well as £3. 41 billion income from February 2010 and has 4, 811 locations around the country; nevertheless Tesco has become the biggest British retailer and is one of the world's largest retailing outlet. Mainly its growth is due to the fact that in the workplace, it has a workforce of 552, 004 employees.

To sustain its growth, Tesco has to make sure that they have the staff who are motivated, flexible and well-trained and who can be aware of the customer needs. Tesco sustain their employees in a range of roles and at different levels in the workplace from customer assistant to department manager and warehouse to logistics staff. Tesco recognise this as they need employee motivation to continue their growth.

Motivation is the driving force which set out to achieve an individual's goal. There are different theories that have been suggested for motivating

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employees. The main factor for motivating employees is Pay, which is considered a primary motivator. Other motivating factors include:

Appreciation of hard work e. g. incentives

A sense of achievement

Responsibility and empowerment

Opportunity for development

A sense of challenge and enjoyment

If Tesco have a motivated workforce then they will have a variety of employees who will work hard and achieve their potential in less time, which will endeavour Tesco to reduce cost in labour and less supervision of their employees. On the other hand this will demonstrate their pride to work for Tesco, therefore create a better impact on consumers. Encouraged employees are more likely to focus better and are less likely to make mistakes, cause conflicts and accidents in the workplace. In general this shows they have greater loyalty for the consumer and have fewer absentees.

The opposite of a motivated workforce is an unmotivated workforce, which are employees in Tesco being dissatisfied in the role they play for the company. This can negatively affect the quality of the work they produce and how professionally they carry out their work and how this will affect Tesco as a business but also the products they display on the shop floor.

Tesco focus on two groups, their staff and customers to achieve motivation by offering them rewards to support stability in the personal and work life. Such rewards are staff discount, flexible working and gym membership.

The theory to motivate shows that Taylor said “ one that is motivated works purely for money”. Tesco has a similar link to Taylor’s theory as they have an employee reward programme which offers financial reward packaging to motivate the workers. On the other hand there are other factors which take into place of motivating a person; they are personal and working lives. Tesco go beyond Taylor’s theory as they do more than pay increasing, they support the different lifestyles of each individual that works for them by using important benefits. For example in Tesco, staff may desire to serve people or improve their basic understanding and skills.

To make job satisfaction achievable for their staff, Tesco create a good working environment where they want to have their employees feeling valued and therefore it increases communication and employees are asked for their opinions of how they are experience this. As Tesco are a big organisation they invest into training and development for its staff which enables them to develop their understanding, skill and sense of their job satisfaction. For example in my own workplace at Sports Direct they create a good working environment as I was trained on the till and had people helping me which developed my understanding of the business. By using surveys, Tesco ask their staff to attend a staff satisfaction survey which is done by viewpoint and gives the staff to get across their views on the job they do. From the survey it shows Tesco what they need to do in order to keep their employees motivated and to ensure that they are achieving job satisfaction.

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The benefits offered to employees the following Lifestyle breaks which offer you 4-12 week off from work but then you are allowed to return after as it guarantees you don't lose your job, career breaks which allows staff working in Tesco between the 6 months and 5 years away from work but also they have the right to return and pension scheme which defies the long term benefits staff can have when they reach a certain age.

Other ways in which job satisfaction is achieved for the staff working in Tesco is the way they look after their employee. This makes their employees feel that the job is secure and the company is looking after them and therefore it makes them produce work of a high quality. Using Herzberg two-factor theory which outlines the main two factors hygiene and the satisfiers also know as motivators.

Hygiene factors are put in place in a business such as Tesco to avoid what is called unpleasantness in the workplace. If these factors are thought to be insufficient by the employees then this would mean that they are dissatisfied by working there. Motivator factors are for individual people for their personal growth, the motivator side dynamically creates the job satisfaction. If they are effective, then they can motivate the individual to reach an above-average performance as well as effort. " Herzberg showed that to truly motivate an employee a business needs to create conditions that make him or her feel fulfilled in the workplace

For example Hygiene factors like pay can lead to an employee at Tesco being dissatisfied as this will show the employee is being paid a rate which has not increased from the time he has spent at Tesco.

However the motivators like promotion opportunities in Tesco will satisfy the employee as they are moving up a level in the department and not staying in one department from where they started from. This will acknowledge how well they are working for the company.

Hygiene factors:

Pay and benefits

Company policy and Administration

Relationship with co-workers

Supervision

Status

Job security

Working conditions

Personal life

Motivators:

Achievement

Recognition

Work itself

Responsibility

## Promotion

## Growth

Tesco will try to motivate its employees by using the two factor theory. For example, it can motivate and empower its employees by using suitable and well-timed communication to effectiveness, by appointing responsibility and involving employees in their own decision making in key areas of their working life. Tesco using forums every year in which staff can be part of the discussions on pay rises if they wish they need to.

This will show acknowledgment of the work Tesco people do and reward them. For example Tesco staff can even influence what food goes onto its restaurant menus. As a result of doing this the employees therefore become motivated to make choices that will increase their use of the restaurants that Tesco have within the organisation. That way job satisfaction achievable as it is used to a very high level in Tesco as they value each and every one of their member of staff so they achieve their potential and the company grows and has a high-quality reputation.

I think it is important for line managers to have an understanding of these theories in concept as they need to know how to motivate their employees working below them to get the best out of them, productivity wise. However if managers on the front line do not have an impact then this will limit how they motivate or else not trusting them will reduce their motivational efficiency.

Managers this way can understand what the employee is working toward such as the goals and objectives that they set and how well they are managing their time to get the work done for a company like Tesco for example.

It gives the manager a chance to be impressed by the employee and the quality of the work therefore shows which member is committed to doing well and making sure the company goes in the right direction, On the other hand managers would want to know the pros and cons of which is the best way of the motivating concept through various theories in order to stand out from anyone else and the quality in production and reputation it achieves at the end by doing this.

It gives the manager a chance to communicate and understand the employee effectively, to engage the key skills he may have to offer to him, work wise and how motivated he is in-order to get on with what he is asked to do. The best way to understand this is to interact with your employees to gain knowledge otherwise the key efficiency to work at a higher level and to produce the quality you would want to will not happen, unless you communicate with the manager and he communicates with you.

To conclude by looking at different theories of motivation, how job satisfaction is achieved and how important line managers are, you can find out various ways in which Tesco can motivate their employees to get the best out of them by using incentives for hard workers and rewards as well as promotion. On the other hand you can also see the negative effects this can have if you have unmotivated employees in the workplace which reduces the



morale and that person quality to produce at the highest level proposed from them. I recommend that by achieving an employee's job satisfaction and motivation but also bringing into action how the line manager should have a good understanding of these theories. Tesco get employees who work well in a good environment but also one where they are valued for the hard work they produce to meet the aims and objectives of the organisation, but also the goals they set for themselves to improve the desire for working in a warm atmosphere but also the drive that managers have in Tesco for their employee's to achieve their potential.

## **References**

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