

# Organizational structures used by uk supermarkets



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Organizational structure can be defined as the formal and informal framework of policies and rules in order to maintain the alignment of the company's communication, the length and width of authority, rights and duties of the functions of the resources that is allotted in a highly arranged manner.

In this, I would like to introduce two among the most well successful food chain companies in the UK namely J Sainsbury Plc and Tesco Plc.

### **J Sainsbury Plc**

Sainsbury's was founded by John James and Mary Ann Sainsbury in the year 1869 with their first shop in one of the London's poorest areas called Drury Lane. Their success in providing high quality products in low price make them to the success to reach their today's stand with more than 800 shops. The company is now longest serving 18.5 customers a week and with market share of about 16 percent. The company also has a credit of the longest major food retailing chain in the UK.

Available: <http://www.j-sainsbury.co.uk/index.asp?pageid=12> [April 1, 2010]

### **Tesco Plc**

Tesco was founded by Jack Cohen in 1919 by his first sales on surplus groceries from a stall with a profit of £1 with sales of £4. The company's brand own product was sold as Tesco tea before the company is called by the name. The name Tesco came from the company's partner and tea supplier name TE Stockwell and the first two letters of jack's surname.

Tesco's today's asset planted in several countries like Japan, Turkey, China, Malaysia, India, United States and more.

Available: <http://www.tescopl.com/>

## **Types of Organization**

There are different types of organizations with respect to the way they are functioning.

### **Formal Organization**

This type of organization contains fixed rules that may or may not follow a certain number of rules and practices that bother the organization. This depends on the way the organization considers it. Some of them are very strictly followed. Some of the key characteristics of formal organizations are

well attributed rules and regulations

well determined policies and objectives

limits given to activities of individual with in the organization

strictly maintained coordinated observance

they are not dynamic in nature

hierarchical in nature

### **Informal Organization**

This type of organization can be defined as integration of behaviours, interactions, personal or professional connections through which the work is being done by interlocking of social connections. Evolution of this type of

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organization is naturally created social networking site such as facebook, twitter are well known for its interaction in various levels. These types of networking are very much flexible and feasible in developing interpersonal relationships as well as organizational interaction. They are more informal both in professional and personal perspectives. These are more effective for brainstorming and can comply new innovations and social components.

Some of the key characteristics of the informal organization involve

very responsive and dynamic in nature

highly motivated and excellence in performance

very flexible

Disadvantages of informal organization

There are many highly potential disadvantages of informal organization.

Some of them are

Resistance towards change

Role conflict

Rumor

With all these disadvantages, the informal organizations are still very popular in the current fast changing world. Their natural efficiency and effective approach towards new ideas and suggestions make them to keep alive and more communicative with excellent channels through out the globe.

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## **Flat organization**

This type of organization usually in a small sector or might be a unit of big organization. In this there will few levels or no levels at all in structure. This type of organization operates in different levels of business for some specific purpose. This type of organization is a decentralized one. That is there will be no point of concentration of power.

The main advantages of this type of organization are

minimal bureaucracy

more effective in changing environment

resource commitment is minimal

## **Tall organization**

This type of organization is not usually used individually in any organization as the specialty of having too many parallel levels that make them difficult to create decisions.

## **Matrix Organization**

Matrix organizations are those organization which they pool the work of people having the same level of skill. This type of structure is used in organizations which has high dependencies between different departments with in the organization.

Courtesy: <http://www.visitask.com/EBimg/sample-matrix-organization.jpg>

The above figure shows how the interaction between the managers and their roles in their authority and departments and the organization as a whole. In <https://assignbuster.com/organizational-structures-used-by-uk-supermarkets/>

this the managers of different departments are in the same levels and they interact between them for the overall quality and performance of the organization.

The matrix organizations can be broadly divided into weak, strong and balanced one according to the level of control and access of the authority towards their employees.

#### Weak matrix

In this type of organization the main problem is the loyalty between the project managers and the team as there is less role for them towards the welfare of the employees. This is because the functional managers who decide the welfare and development of the employees. This create a less affinity for the employees. The main drawback of this is employees' performance is measured according to the work they do for their functional managers not for their own project or for the project manager. This creates problem in doing their work on time and in proper. This will lead to a conflict between different levels of the organization like functional managers and project managers.

#### Strong matrix

In this type of matrix the project managers have more power than the function manager. So the sole authority goes to the project manager and the function managers have authority over the project manager. They don't have direct control over the team. But the team has staff managers which also has control over them other than project function. The strong influence on the

role of project managers towards the employees gives the name strong matrix.

### Balanced matrix

This is a balanced matrix to avoid misuse of power given to designation. For example the sole authority given in a strong matrix organizational structure can create over power of project managers towards its employees which affect individual performance. So highly performing people may get neglected due to the personal interest of project managers. On the other side we should also avoid weak matrix in an organization. The employees should get time for their own project work and it should not be a show out for the functional manager. So both of the matrix must be balanced for the effective working of an organization with high productivity and welfare of the employees.

## **Variation of organization according to the size and type of business**

### **Organizational Structure of J Sainsbury Plc.**

Sainsbury Plc is a very large organization that applies a mix of different types of organizational structure in order to maintain the stability and need of the organization. Sainsbury uses a mix of tall, flat, matrix and hierarchical structure. The combination helps Sainsbury to work effectively according to the situations

For example, when we take a look of the organizational structure of Sainsbury as a whole we will see only a hierarchical structure. But when we start to detail the different departments and divisions of Sainsbury we will

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understand that it uses flat organizational structure within a functional level or a production level. When we look at the interaction between the departments we will understand that they are using matrix organization and the along with the flat and tall organization structure is mixed up to make more efficient and coordinated working of departments for the overall performance of Sainsbury.

Sainsbury also do a flexible organizational structure according to the need of demand of new products. So they can expand their departments according to the Sainsbury's production and market needs.

Source: [http://www.scmr.com/photo/142/142197-sun\\_wp\\_ex1.gif](http://www.scmr.com/photo/142/142197-sun_wp_ex1.gif)

## **Organizational Structure of Tesco Plc.**

Tesco Plc is one of the leading chain company in the world. They are mainly providing food products as well as fuel, telecom and other sorts of services. Both Tesco and Sainsbury Plc has much similar attitudes in their working strategies. But Tesco Plc gives importance to tax avoidance strategy plans which brings out a large number of allegations towards the company. They are trying to be more concentrated on their financial benefits along with their product quality.

## **Organizational structure, allocation of managerial responsibilities and Accountability**

The structure of an organization is very much influenced to the managerial responsibilities and accountability. The organization structure makes the employees to work according to the workflow and work environment that make the employees satisfied and motivated. The performance appraisals

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and rewards procedures and the management approaches towards the employees give a good feedback from them through high performance, security and suggestions from the employees. A good management of an organization is a mirror image of the performance of the organization.

Sainsbury provide appropriate centralized as well as decentralized approaches to cope up the requirement of the business system. The flexibility of Sainsbury brings appropriate durability to the work environment and suitability to the changing world.

## **Organizational Leadership**

This is an important part for maintaining the stability and the overall responsibility of the organization. The leaders bring their vision and mission to carry on with the organization's meaning of existence. When a company objective gets changed according to the requirement of the market and the suitability of the outcome they are providing inside and outside of it. So a good leadership can direct the organization to a proper flow will effective vision and missions. They provide strategies and also make the employees to activate proper way of execution of the strategies through brainstorming and appropriate usage of communication channels along with effective utilization of human resources.

The flow of power is the major part of organizational leadership. The way the management executes is in different ways in different organization according to the suitability and reliability of the organization.

## **Management Styles**

Organizations adopt different ways of management styles according to the way it is proper in organizational point of view. There are different types of management styles commonly adopted by different organizations.

### **Autocratic Leadership**

This type of leadership has a superior power who sends command for their subordinates. The superior doesn't bother about asking suggestions from the subordinates. Commanding and make them to do what is to be done.

The characteristic of autocratic leadership are

Decisions are made from a single person

Subordinates have high dependency towards the leader

Can lead for de-motivation and alienation of staff.

Good for organization which need decisions to be executed quickly and decisively

This type of organization is not common in modern world as they are not effective in big organization as individual performance leads to the total performance of the organization.

### **6. 2 Democratic Leadership**

This type of organization is common in these days. Larger organizations are giving more importance to the execution of their objective with individual performance. In decision making, managers give importance to the

employees. When a decision is given to the employees a majority of the decision is accepted and is being executed.

The characteristics of democratic leadership are

encourages decision making from different perspectives

decision is being discussed

leader consults with others to confirm about the correctness of the decision

employees will be highly motivated

employees feel ownership of the firm as they are also a part of the decision making

brainstorming makes more efficient and effective decision making

experience gives more ideal suggestions for decision making

The main drawback of democratic organization is the delay in taking the final decision by the involvement of too many people.

## **Laissez Faire**

This type of management is rarely used in common. In this the staff has their own way of taking decision and the leader doesn't have much role on this.

This type of leadership is particularly used in creative ideas. This omits the importance of leader in the organization and the it can sometime affect the company with a negative image.

Some of the characteristic of this type of organization are

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leadership responsibilities are equally shared

useful for organization which has importance to creative ideas

employees will be highly motivated as they have full control over their work life

can get good team work

can have good interpersonal relationship

The main disadvantages of this type of organization are the lack of coordination and time consuming in taking decisions.

## **Paternalistic Leadership**

This type of organization is similar to an autocratic organization in the sense that the instruction is going downwards only. But the organization always takes care of the employees' social need and always encourages them for their feedback. This motivates the employees and helps the management to take care of their employees' needs. This decreases the staff turnover and as well as the work is done like a dictatorship.

Some of the main characteristics of paternalistic organization are

leader is like a father to the company

workers totally depend upon the leader

leader is the supreme power, but consults with the employees

have priority to support the organization's employee

## **8. Corporate Culture**

Corporate culture can be explained as the total to the custom, traditions, values and the meaning of it that makes the organization unique. Corporate culture is usual said as the characteristic of an organization as it points towards the founder's vision of the organization. This depends upon the attitudes of the company towards its objectives and the employees which are approaching that to achieve it. This makes corporate organization as a broader concept than organization culture.

## **9. Organizational Culture**

Organizational culture is the instinct of an organization. The organization performs according to the culture they are carried out in an organization. Organizational culture differs from one organization to another and as well as the geographic location. The organizational culture is more depended and concentrated on a group or a section in an organization which differentiate this from the corporate culture.

## **10, Strategic change**

Strategic change can be defined as the change in the components of strategy of an organization on its scope, objective, resource utilization, competitive advantage etc. Change is an inevitable essence of life. So the organizations have to change itself according to the demand and for the existence of the organization. Organizations always review their effect of their strategy on the company performance and do necessary changes to cope up with the circumstances. Small changes never disturb much with the routine execution of the organization. But inevitable drastic changes bring

out huge impact on the organizations, especially when the change is so drastic and the current system is not prepared to accept the change.

There are many factors that has to be taken into consideration on the strategic change. One of the key factors is the rigidity of organization in

infrastructure

management

employees

policies and rules

workplace culture

Before initiating a strategic change, the organization has to consider all the aspects including the requirement and benefits due to this to the organization. Organization has to think about how quickly it has to be deployed and what all factors need to be changed to implement it.

Necessary preparations before implementation can avoid a certain amount of impact by the change. A well flexible organization is always prepared for a change. The usual ways a strategic change is implemented in three changes.

Unfreeze: - In this stage the management gives the employees the requirement of the change and that helps them to understand the requirement of the change and how helpful for the survival of the organization. This helps the employees be more confident and get prepared for the acceptance of new strategy

Change: – In this stage strategy is being implemented and worked out the effects on the actual environment and appropriate maintenance is carried out for the flexibility of the organization.

Refreeze: – Once the change is implemented, the organization makes the change permanent so it can be a routine for the organization.

All the above stages need to understand a very deep knowledge of the impact of the new strategy being implemented on the current system. There must be a clear vision of the effect and benefits to the organization than the current strategy. It has to be explained how the implementing strategy adopts a better path to reach the organization objective.

The organizational change is formulated in these stages using various stages.

#### Initiating change

This includes creating a sense of urgency, creating a change team, developing change strategy.

#### Implementing change

This stage is the implementation stage where the initiated change is being put on to the current system. This step comprises of communicating the change vision, make the employees to execute according to the change and acquire short-term wins.

#### Making the change permanent

This stage is the refreezing stage where the changes are working properly and keep it permanent as the routine work. This stage includes support to the change effort, consolidating and celebrating the gains acquired by the change and adding the change to the organizational culture.

## **11. Resistance to change**

Resistance to any change is normal in any organization. There are many reasons for the resistance of change. Some of them are

Rigidity of the organization

Employee attitudes towards the change.

Skilled workers' fear of losing priority

Fear of the unknown

Stability of the structure

Habits

Employees attitude towards the initiator

## **11. Symptoms of poor culture**

An organization always has to monitor the level of standard of its organizational culture. The organizational culture displays the image of the organization and its performance. The main symptoms of organizational culture are

high employee turnover



bad communication of the management with the employees

poor performance of employees

irregular way of organization procedures and policies

poor conflict management

degradation in organization's efficiency

demotivated and dissatisfied employees

poor human resource strategies

The organization which is not recognizing the symptoms can put themselves into risk of the organization's existence and its future.

To diagnose the poor performance organization has to take care of the performance of the organization in some order in a particular time slots.

## **12. Methods to improve quality of leadership**

The quality of leadership is an essential factor for the leading of an organization. There are different methods to improve the quality of leadership. Before that we should understand strength and weakness and the expectations the employees expect from their leader. Some of the steps to improve the quality of leadership are

Focus the weakness of to ourselves as a leader

Improving the weakness to strength is the major part as a leader. As a leader it is not a good attitude to be too good in some skills and too bad in some other skills. Improving the skills makes use more effective leaders.

#### Listen and understand

Listen to the employee about their suggestions and feedback. Make them comfortable at the work place. If the employees feel that they are valued and listened, they will work harder for the company and will not go for unnecessary leave from work.

#### Building up good relationships

This is another characteristic of a leader that should be very much valued. Building good relationship with the employees and customers make them to trust as a leader. This is sometimes a time consuming one. But once this is done people will be ready to follow the ideas and views as a leader.

#### Never discriminate anyone

Treating everyone equally is very important. Everyone has their own strengths and weaknesses. Never give anyone as favorite in the team. This will help them to feel free to approach the leader.

#### Self-motivated

Leader should be always self motivated and always motivate the employees to get things done. A leader who is motivated even in stressful and difficult situation will make the staff to be motivated.

Offering help on to cope up with workloads

Offering help to the staff instead of asking for it will invite more respect towards the leader. Helps the employee while they are struggling inside or outside the work place works a lot.

Available at: <http://www.helium.com/knowledge/65525-simple-ways-to-improve-leadership-skills>

### **13. Conclusion**

From the observations and analysis done on the organization we can understand that an excellent leadership with the presence of good organizational culture with appropriate organizational structure will carry forward the sustainability and future of an organization towards a more stable or advanced stage. The study leads me to finalize that flexibility and appropriate utilization and execution of the company resources and monitoring of the standard of the corporate culture will establish high level of throughput to the organizational goals. All these are fully depended on the nature and size of the organization. So the organization needs to be fully understand the environment which they are carrying out