

# [Assessing strategic management methods at tesco business essay](https://assignbuster.com/assessing-strategic-management-methods-at-tesco-business-essay/)

The aim of this study is to present the management and leadership styles in Tesco in making strategic decisions for the growth of the organisation. However, interviewing one of the mangers at Tesco also helped in gathering information needed to carry out this research.

## 1. 1. 1 STRATEGIC MANAGEMENT

Strategic Management is a process whereby the management comes up with strategic ideas and make effective decisions for a goal and plans on how to achieve such goals and objectives for the future of the organisation. Strategic Management consist of the decisions and actions used to formulate and implement strategies that will provide a competitively superior fit between the organisation and its environment, to enable it achieve organisational objectives, Tim Hannagan (2002).

## 1. 1. 2 LEADERSHIP

Leadership is the bringing together of a group of people and directing them to achieve a common goal. According to James B. Rieley (2006), leadership is all about creating environments in which your company employees can realise their individual and collective potential.

There are three main types of leadership namely: the authoritarian leadership which is also known as the dictatorship and this type orders its followers to do various task, democratic leadership allows the group share in decision making and the last one laissez faire leadership a French word which means do it as you like.

## 1. 1. 3 THE LINK BETWEEN STRATEGIC MANAGEMENT AND LEADERSHIP

Strategic management focuses on making strategic decisions and leadership implements the decisions that have been made by the management through effective communication to the employees. Leadership engage in evaluation of staff performance for efficiency, they supervise and allocate assignments to their employees and also motivate and reward good performance through recognition & leadership by example so that they produce quality work. The strategic management form the mission, values and policies of the organisation. They are the strategic thinkers and strategic decision makers and under them they appoint the CEO’s, MD’s, President Etc. to run the organisation. These people are considered the key people in strategic management and most responsible for the growth of the company. Success in business stems from good quality management first of all and then the effectiveness in implementation which depends on the skills of leadership, influencing, communication and motivation, John Adair (2008).

## 1. 2 MANAGEMENT AND LEADERSHIP IN TESCO

One of the most popular theories of leadership is the transformational leadership and it means that the leader has vision and passion to achieve great things.

## 1. 2. 1 VISION AND MISSION

Terry Leah emerged as the C. E. O of the Tesco company in 1997 and he is considered to be a visionary leader that changed the structure of the organisation, Tesco (2010). The company became more focused at achieving its aim on providing quality goods and services to its customers and to develop the company’s workforce by identifying the performances of the employees and training them to be a leader.

The vision and mission plays an important role in an organisation. The aim of Tesco is to continue to lead in the retail market across the globe and by focusing on this it sets long term objectives and makes strategic decisions on how to achieve its goals with the help of effective leaders.

The mission of Tesco on the other hand, is to continue to provide to its internal and external customers by doing the little things that matter thus their mission statement “ Every little helps”. However, it is the responsibility of the managers of each store to lead and motivate the team in order to deliver Tesco’s promise to its customers. The management believes that the success of a leader depends on maintaining a happy workforce in the organisation by giving a work that is interesting to do, a chance for the employee to move on in life, a manager who will help the employees by identifying their performances and to respect them, Tesco (2010). The well-established strategy for growth has made Tesco gain more advantage over its competitors and made them highly productive and profitable.

Furthermore, Tesco values its employees by offering them competitive pay and opportunity to develop a long- term career with good training which keeps the people committed and excited in working in the organisation. They give a performance review by identifying the problems and giving support directing the employees to meet their goals. Tesco takes its employees very important in the organisation as they all work together to support the development of the organisation. They also are determined to look after their employees in a way they are expected to deliver to the customers. Tesco also established an academy which is named Tesco Academy to help groom its employees into becoming future leaders by training them to develop leadership, management and technical skills.

## 1. 2. 2 DEMOCRATIC STYLE OF LEADERSHIP IN MANAGING TESCO

The management of Tesco adapted a democratic style of leadership which is also known as the participant leadership whereby the employee’s voices are heard during decision making. The leadership of Tesco motivates the employees and due to this, the organisation continues to provide good services to their customers. It should be noted that the management gives emphasis on the importance of appointing leaders in each department to handle organisational process. The management appoints leadership roles to individuals in the organisation so that everyone is clear about their responsibilities, to implement the strategic decisions through effective communication by having meetings and doing a follow up on the staffs to ensure that they are not drifting away from providing quality services and to ensure that the company operates effectively. The leadership style that is adapted by the management is imitated by the team leaders of each department that are appointed by the managers, which has changed the structure of the organisation. E. g. the duty managers in each store lead the employees making decision every day that supports the operation of the store, the duty managers are experts in duty management and they ensure that all team leaders are fully trained, validated and participative.

The managers of each store carry out daily and weekly audits to identify and resolve issues in the organisation and also perform operational routine which involves the process to deliver great store standard, better availabilities and great service for customers.

As the management style of Tesco is democratic therefore their way of operating is decentralised and information is passed from the higher management to the lower employees and everyone is free to speak and allowed to initiate and contribute effective ideas for the growth of the organisation. The Tesco management empower their employees and they are considered an important asset to the organisation.

Tesco motivates employees by giving them rewards and benefits like offering a whole package of other ways to make more money, safeguard their future and look after their health by providing paid holiday, a staff discount card which is issued after one year service and an award winning pension scheme.

To improve the management process in Tesco, the leadership style of Tesco also operates a customer management whereby they listen to their customer’s voice for a better service in the organisation. Tesco is customer oriented and they try to always keep up with their customers by satisfying them and producing what they need.

## 1. 3 ADAPTION OF LEADERSHIP STYLES AT TESCO IN VARIOUS SITUATIONS

Tesco has been able to adapt the democratic style of leadership because of the flat structure that enables every staff to be a part of the success of the organisation. The management and leadership style in Tesco has shown its effectiveness in supporting the organisation to continue to grow. At Tesco they are committed to helping their staffs find the best job, hours and support to suit their needs. Whether it is religious requirements, support for illness or disability or for any other reasons the management understands and tries to be flexible in order to carry the employees along in any strategic change.

High performance management is an important factor in Tesco, everyone has a role to play and each role is aimed at making sure the best is done for every customer. However, the strategies of Tesco has given them an edge over their competitors and even made them grow well through the economic recession.

Therefore, in order for Tesco to focus and keep up with continuous growth the managers use other types of leadership styles like the autocratic style just to ensure that the employees carry out the task at a given time.

## 1. 3. 1 CONCLUSION

From my research, the success of Tesco shows that the culture, structure and management style of the organisation is flexible, flat and power is decentralised, everyone has the right to speak and the voices of the employees are heard. Focusing on their long term strategies has helped them to continue to grow stronger for the future. However, the democratic style of leadership in Tesco has made the organisation continue to lead in the retail market.