

Marketing processes at marks and spencer



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The organization I'll be concentrating on will be Tesco Store and Marks and Spencer. I chose to study organisation behaviour in Tesco and Marks Spencer due to having communication access. I would comfortably get information about these organizations.

Tesco plc is an UK- based international grocery and general merchandising retail chain. It is the largest British retailer by both global sales and domestic market share, is the world's third-largest grocery retailer, and is the fourth-largest retailer behind Wal-Mart of the United States, Carrefour of France, and the home depot of the United States.

M&S is an international company, which spreads through Europe, North America and Asia. M&S is the largest and the leading variety store retailer in the UK. New brand and product development over the last ten years in fast-moving consumer goods sectors in the UK is that many of the most original and successful initiatives have been taken not by manufacturers but by retailers.

The aim of this report is to examine organisation behaviour in concern with the understanding of those factors that influence people's behaviour in the workplace.

2. 1 Different organisational structures

Every organisation with more than one person needs a structure so that workers have clearly defined roles and are clear about the roles of others.

An organisation's structure is often presented as an organisational chart which will show how management is organised vertically with layers of

hierarchy and horizontally by function, product or division. The chart will make clear who is responsible for what, who is responsible to who and who to go with problems and queries.

There are three main types of organisational structure: tall hierarchical, flat and matrix hierarchical.

Tall – this type of structure will have more than 4 levels of structures and span of control is average of 6 people reporting. This causes a distraction in communicating because there are a few people in charge in this long stretching triangle. Bureaucracy has control in this type of organisation. Role culture is the way they work, good promotional aspects.

Example of Tall Structure

Flat – this type of structure will have less than 4 levels and span of control is about 25 people, usually higher. They have a good level of communication because they have only one or two people in charge that they can report to. Use power culture type of team work structure, have less promotional aspects. Wide and short triangle appears if drawn.

Example of Flat Structure

Matrix – Matrix type of structure is when the work is spread out to other employees. They usually work in teams so their culture is task. Advantages are they can work more efficiently and focused

Example of Matrix structure

Project 1

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Project 2

Project 3

Project 4

Project 5

Project 6

Project 7

Project 8

Employee 1

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Employee 2

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Employee 3

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Employee 4

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Network – Autonomy (doctors, lawyers, dentists etc). Everyone has equal power so clash of powers and conflicts can happen.

Organisational Culture

Organisational culture is complex and multi-faceted. Culture is intangible and imprecise. It also changes over time. Culture encompasses standard patterns of behaviour and plays an important role in shaping our purchasing patterns. It stems from traditions, beliefs and values of the community in which people live. It is the complex of values, ideas, attitudes and other meaningful symbols that serves humans to communicate, interpret, and evaluate as members of society. There are four types of organisation culture role, power, and task and person culture.

Role culture is known as a ‘bureaucracy’. In role culture job comes first so it creates a highly structured, stable company.

Power culture is like the spider’s web. One individual is in charge of the organisation in the centre surrounded by others involved.

Task culture is job or project orientated. Individuals empowered with discretion and control over their work, is flexible and adaptable.

Person culture is where the individual is the focus of the organisation.

Examples are doctors, solicitors and dentists.

Tesco structure

Tesco structure seems to be a tall structure. There are six work levels within the organisation. This gives a clear structure for managing and controlling the organisation. Each level requires particular skills and behaviours.

Work level 1 – frontline jobs staff who works directly with customers doing various tasks in store, such as filling shelves with stock. They require the ability to work accurately and with enthusiasm and to interact well with others.

Work level 2 – lead a team of employees who deal directly with customers. They require the ability to manage resources, to set targets, to manage and motivate others.

Work level 3 – running and operating unit. They requires management skills, including: Planning, Target setting and Reporting

Work level 4 – supporting operating units and recommending strategic change. They require good knowledge of the business, the skills to analyze information and to make decisions, and the ability to lead others.

Work level 5 – responsible for the performance of Tesco as a whole. They require the ability to lead and direct others, and to make major decisions.

Work level 6 – creating the purpose, values and goals for Tesco plc. Responsibility for Tesco's performance. They require a good overview of retailing, and the ability to build a vision for the future and lead the whole Organization.

Marks and Spencer has a flat organisational structure. The business lost a number of layers of authority through delayering which means that employees throughout the business have more responsibility. This enables them to make quick decisions and justifying actions that have been taken. The organisational structure of M&S means that most employees had to account for the decision made. Besides this, it is also necessary to make those decisions quickly since there is a lot that one single employee was expected to do. Training and development is therefore necessary to ensure that these employees. It should be noted that most of the roles taken up within M&S are specialised. Therefore, employees need to be empowered by teaching them new skills in their new area or career.

First of best practice requires that there should be lean organisation structures within the company in order to encourage team work. This is exactly what M&S has done; it has included this as part of its strategy. Decision making is not as centralised as it used to be before thus necessitating the need for training and development.

Summary

Here as we can see Tesco has a tall structure and role culture is the way they work whereas M&S has a flat structure and power culture team work. Both organisation structure and culture are different.

Relationship between organisations structure and culture and the effects on business performance

Organisations must have a formal structure in order for work to be carried out efficiently. It is necessary to divide work into groups or sections into a

particular function to prevent duplication of efforts in order to maximise their limited resources. Because an organisation comprises of people there is also an informal organisation with different interlocking relationships, which gives rise to different behaviours, attitudes, individual perceptions and level of ability and aptitude. When people deliberately come together to fulfil a specific goal there are particular accepted ways to behave, speak and interact. This gives rise to organisational culture where it may be formed intentionally or unknowingly to its members by the behaviours of influential members, not necessarily personnel high up the hierarchy but by members who exercise different forms of power within the organisation. This relationship will now be individually examined in the different types of organisational structure associated culture and their influence on their employees resulting in their level of business performance.

Business performance in a tall organisation structure can be affected by the length of time it takes for the flow of information through the levels of hierarchy making the organisation inflexible slow to adapt to the political, economic, socio-cultural, technological, environmental and legal factors. It has a narrow span of control causing tight control restricting freedom and empowerment which affects motivation. The level of motivation employees possesses affects their output affecting business performance. Employees do not have a clear idea of the big picture. It's highly bureaucratic nature influence role culture.

In contrast a flat organisational structure possesses greater flexibility to the PESTLE factors due to it's reduce levels of management, ensuring greater survival. The wider the span of control and greater levels of communication

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may encourage creativity, initiative and ability to make decisions giving the feeling of empowerment, resulting in motivated workers, which affects business performance. This is also dependent upon the individual's personalities and networking relationships within the organisation. If people refuse to work together or perceive what others say it could affect employee relations and output affecting business performance. The culture found in flat organisation structure is that of power culture.

The relationship between culture and business performance depend on how strong culture firms learn from and react both their own experiences and changes in their environment. It also confirms behavioural consistency so that there is less room for debate between different groups about the organisation goals.

Factors that influence individual behaviour at work

The ability to learn from experience will affect individual at work, other factors that affect an individual behaviour at work including ability and aptitude, abilities are things that people can do, or are good at, and this is believed to be inherited. Aptitude is the capacity to learn and develop abilities or skill. Another factor is the individual attitude. Firstly individual to work that is their perspective on working, management, acquaintances and the organisation and the organisation and their attitude at work which is their stance or standpoint about politics, religion, education, and whether they choose to agree or disagree.

Perception is the way an individual mentally sees things and this explains why people have different views because they perceive things differently.

This is why communication within the organisation has to be clear so that one receives the same core intent of the message.

The last factor is the individual personality. Personality is the total pattern of characteristic ways of thinking; feeling and behaving that constitute the individual distinctive method of relating to the environment.

Approaches to management and leadership

One of the most important functions of an organisation is the management. Without this function or department there will be no rules, procedures, discipline, motivation, culture and so on. The principles of management and leadership will be divided into a number of sections to be analysed in detail. Most of these theories and styles will be related to TESCO and MARKS AND SPENCER for a wider discussion and explanation.

Management Styles

Managers have to perform many roles in an organisation and how they handle various situations will depend on their style of management. A management style is an overall method of leadership used by a manager.

The most common style theories are grouped under the classification: autocratic style, democratic style and laissez faire style.

Autocratic style is sometimes known as exploitative, authoritative or military style. Autocratic style is the type of management where there is only one person in charge that has total control. Under this style of leadership all policies and decisions are laid down by the leaders. Subordinates have just

to put into practice. They are not allowed to give their opinion or suggestion thus the leader is expected to do everything in terms of decision making.

A democratic style of management has many advantages as it motivates employees through job satisfaction and team spirit. It makes them feel valued if they are taking part in decision-making, and this will help the organisation to achieve its objectives. There is more contact between managers and its workforce. They will be able to get to know each other and this could lead to them being able to work better together if they socialise. However, there are disadvantages to this type of management style. Consulting the workforce can be time consuming which will slow down decision-making.

Laissez-faire style is a style where most of the decision and policies are decided by subordinates. Managers intervene very rarely in emergency cases. Almost everything is left upon subordinates. Every member of the organisation opinion is taken into account when making decision.

Different motivational theories Motivation is a process in which people between alternative behaviour in order to achieve personal goal. Motivation is the result of an interaction between the person and a situation; it is not a personal trait. It's the process by which a person's efforts are energized, directed, and sustained towards attaining a goal.

Energy: a measure of intensity or drive.

Direction: toward organizational goals

Persistence: exerting effort to achieve goals.

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Motivation works best when individual needs are compatible with organizational goals.

THEORIES OF MOTIVATION

There are many motivation theories that attempt to explain the nature of motivation. Some of the theories may be partially true and help to explain the behaviour of certain people at certain times.

The motivational theorists focus on examining human needs considering how the needs are met and can be better met in work. It may be defined as the “ processes that accounts for an individual’s intensity, direction and persistence of effort towards attaining a goal”. Organisational behaviour (9th edition) by Stephen P Robbins pg 155

Among various behavioral theories embraced by American business are those of Frederick Herzberg and Abraham Maslow. Herzberg, a psychologist, proposed a theory about job factors that motivate employees. Maslow, a behavioral scientist and contemporary of Herzberg’s, developed a theory about the rank and satisfaction of various human needs and how people pursue these needs. These theories are widely cited in the business literature.

MASLOW’S MOTIVATION

Abraham Maslow suggested that human needs operate at a number of different levels. In fact he classified human need under five different levels namely: physiological needs, security needs. Social needs, esteem needs and self realisation/actualisation. This different of need can be presented as follows:

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Physiological needs: – For Maslow this is the first level of needs that individuals have to satisfy because these needs are primary / basic.

Physiological needs are those required to sustain life, such as: Air, Water, Food, and Sleep.

Safety/Security Needs: – Provided that physiological are adequately satisfied that security needs will influence on behaviour. Security needs include protection against physical and physiological harm. Such needs include the need for job security, age, industrial accidents, and illness. Many organisations try to satisfy these needs by providing a desire for steady employment, health insurance, safe neighbourhoods and shelter from the environment.

Social needs: – This level of needs is concerned with man's need for love, friendship; acceptance, attachments and families help fulfil this need for companionship and acceptance, as does involvement in social, community or religious groups. In organizations people tend to join different groups to satisfy their social needs. By forming groups and encouraging sufficient interaction among employees. Managers can make sure that their subordinate's social needs are satisfied.

Esteem needs: -. This level represents peoples higher order needs that is man needs for self respect, and recognition by others. The need for success self confidence, recognition and appreciation of achievement are all examples of esteem needs. It is this area in particular that managers can play a significant role in satisfying the needs of their employees, namely by rewarding high achievement with recognition and appreciation.

Self actualisation needs: – The highest of Maslow's hierarchy of needs is the need for self actualisation. This represents the apex of all men needs. Self-actualizing people are self-aware, concerned with personal growth, less concerned with the opinions of others and interested fulfilling their potential. Maslow describes the self actualisation needs as follows “ a musician must make music” and at least must paint, a poet must write, if he is to be ultimately happy. The self actualisation need is the most difficult to address. In an organisation context, a manager can help by impressing and challenging job to master so that they can in their work.

Criticism of Maslow's theory

Maslow theory is too rigid, that is it is assume all individuals have five level of need and all of them follow the same order. It is not a complete theory of motivation, because it only explains motivation of human needs.

3. 7 FREDERICK HERZBERG'S MOTIVATION AND HYGIENE FACTORS

Frederick Herzberg examined motivation in the light of job content and contest. His dual process theory is a job enrichment theory of motivation. It describes needs in terms of satisfaction and dissatisfaction. It is a two-step process. First provide hygiene's and then motivators. One time ranges from no satisfaction to satisfaction. The other time ranges from dissatisfaction to no dissatisfaction. (Buelens M., Broeck H., Vanderheyden K., Kreitner R. & Kinicki A., 2006, p: 186). Therefore, Herzberg's theory is also known as “ two-factor motivation theory”.

Hygiene factors

According to Herzberg hygiene are those which do not lead to motivation but these factors prevent de-motivation. At a more simple level firm managers should make sure that the employees have the necessary hygiene factors so that there won't be any dissatisfaction at work resulting to a decrease in motivation. His study reveals the following as hygiene factors:

Company policy and administration

Supervision

Relation with supervisor

Working conditions

Salary

Personal life

Relation with subordinates

Status

Security

Motivators

According to Herzberg motivators are those factors which lead to satisfaction and hence can motivate employees at work. When employees are deprived of these factors there will be dissatisfaction leading to reduction to motivation. However if employees are provided with these factors, they will surely be motivated. The main motivators are

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Achievement

Recognition

The work itself

Responsibility

Advancement

Growth

Criticism of Herzberg theory

The conclusion about factors that caused unhappiness and motivators are not totally acceptable. According to critics the difference in sources of satisfaction and dissatisfaction are the result of intrinsic defence mechanism. People are inclined to seek their own achievements and to ascribe their dissatisfaction more to obstacle on the part of management.

Relationship between motivational theories and the practice of management

Maslow theory does not fully explain motivation his hierarchy of needs is generally accepted and applied in practice mainly for the following reasons:

The hierarchy is easy to understand and make sense.

The theory highlights important category of needs.

The distinction is made between higher and lower needs.

The importance of personal growth and self-actualisation in the work context is impressing upon managers.

In most countries organisation are extremely successful in satisfying employer lower order needs. Physiological are satisfied by paying salary and providing fringe benefit, social needs are satisfied by allowing employees to interact and associate with one another. Esteem needs is of giving responsibility a title that commands respect, meaningful work, activities, recognition at high achievement.