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TESCO

Every little helps





Leadership Skills & Team Commitment

Thesis submitted to the

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Executive summery

This is aimed to explain about the leadership and team commitment. Thus it has described firstly the impact of the organizational values and culture on the leadership as well as the organizational specific, legal and ethical requirements which may effect on the leadership of the organization as well. Then it may explain about the relationship between management and the leadership and the different leadership styles changing on the different situations in order to adapt to the changes successfully. Finally it may concern about the professionalism, mutual respect and support of the leadership towards the organizational objectives and support of leaders towers the organizational directions as well as the team development and commitment for the accomplishment of the established goals and objectives of the organization efficiently.

Introduction

Tesco plc can be recognized as a British international grocery which has become the third largest superstore in the world after the WallMarts and France's Carrefour with the headquarters at the Chestnut, Hertfordshire. But it is the largest supermarket in United Kingdom. There are about 320,000 employees of the company on their own in the whole world while having about 2, 320 stores as well. Today Tesco has expanded their business over 14 markets across Asia, Europe and North America. (Annual report Tesco 2012)



1.1. The impact of the organization's culture and values on leadership

Leadership can be recognized as an ability to influence the behavior of the others and then the leader should have to be confronting with the organizational culture which can be identified as the core values, basic assumptions and beliefs of the organization. In order to face to the dynamic and complex internal as well as external environmental changes, the leaders should have to get a better understanding about the organizational culture and values when they are cope up with the employees within their day today activities as well. Thus the leaders should have to create, maintain and review these organizational culture and its values time to time in order to maximize the shareholder's wealth of the organization. (MillerD, 1991)

According to the context, Tesco Company has already established its values as their code of conduct under the leadership control of Sir Terry Leahy and they are as follows;(Annual report Tesco 2012)

No one tries harder for customers.

1. Understand customers.
2. Be first to meet customer needs.
3. Act responsibly for their communities.

Treat people how they like to be treated.

- Work as a team.
- Trust and respect each other.
- Listen, support and say thank you.
- Share knowledge and experience.
- ...So they can enjoy their work.

Tesco wants well managed people& they are working in on trust & respect with each other. Because of that they are training their staff over the years to deliver the best customer service within the market.

1.2. The impact of organizational specific, legal, regulatory, and ethical requirements on leadership demands

Each and every leader should have to undertake a decision after considering the organizational specific and ethical as well as legal, regulatory requirements of the environment. So before they take a decision regarding the employee or organization or society they should have to analyze and review the impact of that decision on the relevant parties as well as company reputation and well being. So the leaders should have to get a better understanding about the organizational

specific, and current legal & regulatory scenarios as well as organizational ethics in order to be success within the market place. (Varella, P, 2004)

Tesco Company also has its own organizational specific rules and regulations as follows;



- Giving their customers the best shopping trip
 - Refreshing their stores for their customers and staff
 - Making “click & bricks” for reality to customers
 - Moving into the growth while saving the environment as it is
 - Giving the maximum dedication to their customers
- More staff, better service
 - Strong continues improvements to the customers
 - Best Quality and innovations for the customers

Because of that the leaders of the Tesco should have to take their decisions after considering the above mentioned organizational specific, ethical and legal requirements of the company for the well being of the company.

1.3.Current and emerging social concerns and expectations impact on the leadership in the organization

As a leader of company, he/ she should have to be more concerned about the social changes and the changes of the expectations of their customers within this dynamic and complex world than the management of the organization as they are the people who are responsible for guiding or directing the organization for a better future by forecasting the uncertain opportunities and trends for the organization through their specific quality charisma than the others of the organization. Here, they should have to consider the gender discrimination, race discrimination as well as religious discriminations of the society while giving a fair consideration to the disabilities of the society too.(Cooper C L, 2007) Thus the leaders should have to take as account these social matters and their various expectations with the development of the technology and the globalization and otherwise they are unable to survive or growth within the society with an outdated technologies, attitudes and products as well.

Tesco Company has already taken the required steps to recognize these emerging social concerns and expectations by introducing a customer loyalty card called “club card” at the first time to UK people & their customers for the purpose of getting their valuable opinions and attitudes towards the company and its changes have to be done. Thus the company has created a continuously updating data base of their customers and then they analyze their opinions and expectations. Through this process the company is able to get an easy and clear understanding about the emerging social concerns and expectations and then they getting the necessary actions to correct them or implement and adapt to them the quickly than the competitors in the market. (Annual report Tesco 2012)

2.1 Evaluating the relationship between management & leadership

When it comes to consider the relationship between the management and the leadership of the organization, although these terms are using in similar manner in generally, these can be recognized as two major roles within an organization which are interrelated but can be identified separately. When the managers are trying to maximize the wealth of the shareholders by effective and efficient utilization of the scarce resources of the company, the leaders are trying to give the guidance and direction for them to achieve the established goals successfully by using their distinct characteristics of fore- sighting. Thus the leaders are the people who can see the future of the organization and guide the whole organization towards the success of the future by having a clear focus on the established organizational goals and objectives. (Cooper C L, 2007)

According to the Tesco company their Board & executive committee is currently comprising the Chairman, Sir Richard Broadbent, two Executive Directors and eight independent Non-Executive Directors and they are as follows; (Annual report Tesco 2012)



Tesco has stated that the success of the company is the efficiency of this Board & executive committee under the leadership control of Sir Terry Leahy to become as the third largest grocery retailer within the world and the largest shop keeper in UK as well.

2.2 Evaluating leadership styles

The leadership can be identified as the ability to shape the organization's decisions and deliver high value over time not personally but also by inspiring and managing others of the organization. Leaders can have profound impact on the organizational mission and the objectives as well. Effective leaders can manage the firm's operations effectively and sustain a high performance over time; they make better decisions than the competitors which are candid, courageous and pragmatic. However this impact may depend upon the way of leading people by the leaders or their leadership style because some may generate positive impact on the employees as well as others may generate a negative impact on the organizational people. Thus it can be seen several leadership styles as follows; (Cox 2001)

Transformational leadership

These are the leaders who have a better vision and commitment towards the success and they motivate the followers to give their potential towards the organization in order to accomplish the goals of the organization successfully. By having this type of leadership within an organization, t

may result to enhance the worker's satisfaction and their motivation, commitment towards the organization as well.

Transactional leadership

These are the leaders who are very rigid and no emotional attitudes towards the followers and they are only task oriented. Thus this kind of leadership may result to generate a negative impact on the organizational employees and their satisfaction and commitment as well. (Varella, P, 2004)

Participative Leadership: these leaders are the people who prefer to give more freedom to their followers to do their work best in order to get their potential as well. This may also generate a positive impact as the workers are highly satisfied through having freedom to perform their works adequately. (Fleetwood S, 2009)



According to the Tesco Company it can be seen that there is a transformational leadership of Sir Terry Leahy who has a better vision which is **“to be most highly valued by the customers they serve, the communities in which they operate, their loyal and committed staff and their shareholders; to be a growth company; a modern and innovative company and winning locally, applying their skills globally”** (annual report Tesco, 2012) & commitment towards the success of the overall organization. They are thinking that their people are most valuable; asset to them in order to deliver a high customer service. Tesco is regularly engage with their workers as well as unions by inviting them to give their valuable thoughts relating the way of business running and the way of feeling them to work with Tesco. Thus it can be seen that there is some kind of participative leadership too. (Annual report Tesco 2012)

2.3. The requirement of adapting leadership styles in different situations

It is required to every leader to adapt with the changing environment in order to survive and attain a growth within the market. As there is a dynamic and complex business environment, the

customer behaviors and their expectations are changing day by day with the increasing technological developments and the enhancing knowledge about the health care and safety. So they prefer to have safety and healthier foods and products than ever with different kinds of variations. (MillerD, 1991)



So the leaders should have to adapt to those changes in different situations to make them happy while ensuring their surviving within the market premise as well.

According to the Tesco Company, they are continually doing innovations to find out more convenience solutions for the emerging social matters as follows;(Annual report Tesco 2012)

- ✓ Introduced loyalty card system called as “ club card”
- ✓ Introduced banking and mortgage services to their customers through the “ Tesco bank”
- ✓ Introduced online shopping market in 1995 called as “ click & bricks “for the worldwide customers
- ✓ Made a better trained and skillful team called “fruit & veg team” for focusing fresh produce and improving the products continuously.
- ✓ Continuously reviewing & refreshing their over 8000 brands

3.1 Developing a culture of professionalism, mutual trust, respect & support within the organization

The leader should have to convey the significance of professionalism to their followers and then he/ she should have to build their mutual trust with each other when they are trying to achieve a common goal of the organization. It is not sufficient to giving the guidance and directions to the followers, and they should have be realized the importance of those directions and they should teach to respect and support to each other with having the mutual trust among the others as well. So it is the duty of the leader to the support them to get a better understand regarding those directions of the leaders and otherwise leaders may become unsuccessful.(Varella, P, 2004)

So the Tesco Company has introduced a programme called “Tesco carriers” for their employees to give a better knowledge and skills in order to maximize their commitment toward the



organization. And also all the new directors of the company may receive a personalized induction programme depending on their experiences, background and their focus areas. Not only that but also their development is assessed by a committee called “nominations committee” and by arranging training sessions as well. (Annual report Tesco 2012)

3.2 Evaluating the impact of a leader’s clear focus in leading the team in the achievement of the objectives

The leader should have a clear focus on the overall organizational objectives and the way of achieving them successfully. As the leaders are able to make a huge impact on a team to accomplish the organizational common goal, it is very much important to leaders are having more commitment and passion towards the success of the organizational goals and objectives. Unless it may lead to make wrong directions and it may cause to less-motivate the employees and finally it may adversely affect to the overall organizational success as well. Because of that the leaders should have to be very focus on the established goals and objectives as well as the way of accomplishing them by correctly guiding the team towards them properly. (Thomas, G,

2011)



When it comes to consider about the Tesco Company it has already achieved its goals and objectives by having a clear focus on them by the leaders and the acquired performances are as follows; (Annual report Tesco 2012)

£72.0bn +7.4%
Group sales Group sales growth

+1.6%
Full year dividend per share

14.76p
Underlying profit before tax**

3.3 Evaluating the role of the leaders to support & develop the understanding of the organization's direction

It is essential to each every leader to support and develop the understanding of the organizational directions as if those are not understand or mistakenly understand by the followers, then it may cause to arise various problems within the organization and ultimately it may result to fail of the overall company. So it is very important to direct the people correctly as well as try to make a better understand regarding those directions and its significance to the followers in order to get the maximum contribution from them towers the accomplishment of the stated goals and objectives successfully. Thus it is not adequate to direct or guide the followers and it is necessary to every leader to support and develop their understandings about those directions as the leaders are the best people to do so.(Thomas, G, 2011)

When it comes to consider the Tesco Company, they have already taken necessary steps to develop and support with organization's directions as follows;(Annual report Tesco 2012)

- Introduced a training and development programme for its carriers called as “ Tesco carriers programme”

- Every new director may receive a personalized induction programme as their experiences, background and the focus areas
- The development assessed by a specialized committee called “ nominations committee”
- Arrange training sessions for the unskillful employees or undeveloped workers

3.4 Analyzing adaption of the leadership styles to meet changing needs, and to enable team development & commitment

Leaders should have to change their leadership styles with the changing environmental factors in order to adapt to them successfully while enhancing the team development and team commitment. Because otherwise it may cause to fail of the overall organization as the demotivation of the employees' and their less commitment towards the works, the followers are expecting to have modern technologies and modern knowledge regarding the all working areas with the changes of the world. So they try to enhance their knowledge in various areas while updating their knowledge and skills continuously in order to match with the globalization & modern accelerating technologies. Thus when the leaders are not preparing or unaware about those changes, the employee or the team member's commitment may decrease and their developments related with innovations are becoming lower than the others. Then it may result to fail the overall business success and the leadership success as well. (Fleetwood S, 2009)

According to the context, Tesco Company has taken several precautions and actions with the changing consumer demand, their behaviors and social expectations while adapting to them successfully by applying a flexible leadership styles in different situations (situational/contingent leadership) on their own to enhance loyalty of the consumers as well as their workforce. These are as follows;

- ✓ Continuously reviewing & refreshing their over 8000 brands
- ✓ Introduced banking and mortgage services to their customers through the “ Tesco bank”
- ✓ Introduced online shopping market in 1995 called as “ click & bricks “for the worldwide customers
- ✓ Made a better trained and skillful team called “fruit & veg team” for focusing fresh produce and improving the products continuously.

- ✓ Introduced loyalty card system called as “ club card”

Conclusion

Ultimately it can be concluded that the each every leader should have the specific, distinct charisma than the manger of the organization has in order to fore- sighting the business operations and then direct or guide the others for the achievement of the established goals and objectives successfully. So there it is essential to a leader to have a clear focus on the organizational goals and objectives as well as the way of achieving them successfully. And also the leaders should have change their leadership style in order to adapt with the changing environment & meanwhile it is essential to the leaders to support to the followers to get a better understand about those directions and thereby enhance their tem development and commitment for the accomplishment of the overall organizational objectives successfully.

According to the Tesco Company it can be ultimately concluded that the transformational leadership of the Sir Terry Leahy, has been succeeded over the years in order to become the third largest superstore within the whole world by acquiring £72.0bn group sale per annum from overall Asia, Europe and North America as well.

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