



THE TIMES 100

BUSINESS CASE STUDIES

Factors influencing leadership styles - Tesco

Tesco is a **customer-orientated** business. It aims to offer products that provide value for money for its customers and to deliver high quality service. To keep at the top of its game and to maintain its number one spot in the market, the company needs skilled staff at all levels and in all roles. Tesco aims to develop the leadership qualities of its people throughout the organisation, from administrators and customer assistants to the board of directors.

Leadership styles can be explained on a scale ranging from autocratic through democratic to laissez-faire. Although each person will have their own preferred leadership style, the most effective leaders adopt a style appropriate for the situation. They will consider several factors in deciding which style to use.

- The task . Is it business-critical? Must a decision be made immediately? What will be the potential impact on the business?
- The team . Does it have the right skills and resources? Is it used to making decisions?
- Tradition . What has been the norm in the past?

Managers have to be aware of the possible consequences of using the wrong style in a particular situation. Berian manages a team of 17 in a Tesco in-store bakery. His usual management approach is to allow the team to take responsibility for getting the right products to meet demand at key times. However, he would not adopt a laissez-faire approach with a new member of the bakery team. If the employee is not given proper instruction before operating the baking equipment, the bread might be overcooked. Employees might also injure themselves if they don't use the equipment properly. In this situation, it is essential to adopt a tell approach.

People at each level of responsibility in Tesco, from administrators and customer assistants to directors, face different types of decisions. Each comes with its own responsibilities and timescales. Before making a decision, the managers will consider the task in hand, the people involved and those who will be affected (such as customers). Various internal and external factors may also affect the choice of leadership style used. Internal factors include the levels of skill that employees have. Large teams may have members with varying levels of skill. This may require the manager to adopt a more directive style, providing clear communication so that everyone knows what to do to achieve goals and tasks. On the other hand, team leaders may take a more consultative approach with other managers of equal standing in order to get their co-operation for a project. External factors may arise when dealing with customers. For example, Berian may need to use a persuasive style to convince a customer to accept a replacement product for an item that is temporarily out of stock.





THE TIMES 100

BUSINESS CASE STUDIES

Questions

1. List the three main factors that will be taken into account when considering the most appropriate leadership style to use.

2. Describe the leadership style is often most appropriate in crisis situations.

3. Explain why ~~the~~ the team will impact on the leadership style adopted.

4. Evaluate whether employees would prefer their managers to stick with one style of management.

Task

For each of the scenarios listed below, recommend an appropriate leadership style that the managers could adopt. Justify your recommendations.

- *A retail store has been broken in to overnight. The store is not safe to open to the public because of debris and broken glass. A large amount of stock has been stolen.*
- *A graphic design company employs highly motivated, skilled workers, many of which have been with the company for more than 8 years.*
- *A manufacturing organisation is relocating from the South of England to Wales. If employees wish to move with the company, their jobs have been guaranteed.*

What have you learned?

In exactly eleven words, explain something you have learned today.