Woolworths

Woolworths Management

**Mission and Governance**

The mission of the company is the, ‘The Fresh Food People’. This means that the company works towards making sure that it has provided high quality products and services. This is done through the use of fresh foods and better price tags that are meant to attract more consumers. Most of the activities of the company are controlled by the mother company through the board of directors. The board of directors is responsible for maintaining good corporate governance and supervising the company. By doing this, they are able to act on the behalf of shareholders. After this, the whole company has a managing director who also adds up to be the CEO of the company. He is the one who oversees the management of the company. The supermarket director is under the CEO and answers to the CEO in all matters of management (Woolworths, 2015). Under the director of supermarkets, there are other directors who hold various positions of power and oversee different operations of the company. Theory X and theory Y of management can best fit in Woolworths supermarkets. The company uses theory Y which enables the organization to produce better performances and results. The organization in general has enabled people to grow and develop. The directors of supermarkets as well as other directors in charge of the divisions in supermarkets respect the skills of the employees and consider that the employees need to be closely supervised for them to achieve their goals. The organization’s use of theory X can be seen from the fact that it has a hierarchical system of governance with each level having a narrow span of control (Humphery, 2008).

**Why have you decided to take the Theory X & Y approach? You should just evaluate their mission and look at their governance and decide whether they fulfil their mission statement according to the theory about missions/visions (see Ch 9 textbook) and then look at how they meet governance requirements and what they say they do for governance (using their documents on it for a start).**

**Strategic Position of the Organization**

**SWOT Analysis**

**Strengths**

***Strong Financial Performance of the supermarkets***

The supermarkets have presented a great financial status, especially in the recent past. The reason for this is that the organization has received a growth in sales over the last couple of years. Revenue is another sector where the organization has seen considerable growth. The growth in revenues has been found to be far much higher as compared to that of the competitors. Overall, the company is able to generate capital whenever the company has plans to expand the market. This is done by opening more stores (Woolworths, 2015).

***The supermarkets are a trusted brand with a good reputation***

The supermarket and the company at large is one of the leading companies when it comes to leadership as well as the responsiveness to customer needs. The fact that it is a sustainable retailer means that it is appealing to quite a number of people in the country. This is in terms of the size of the business, the range of the products as well as the prices that the company offers for its products (Woolworths, 2015).

***The company enjoys a good relationship with the suppliers***

The company for a long time has embarked on the development of a long-term relationship with the producers as well as the suppliers of the products that are sold in the supermarkets. It has also worked with the government in order to implement various food plans that are meant to benefit the country. One of the areas that the company has been very effective is in the promotion of sustainable agriculture.

***Wide range of products***

The supermarkets offer the consumers a wide range of products, which means that they have a variety to choose from. Most of the goods or products are differentiated in terms of the prices. Apart from the use of a wide range of products, the company is also able to offer the lowest prices, which means that it can be able to create a competitive advantage (Kuberkar & Raghuram, 2015).

**Weaknesses**

***Limited geographical share of the market***

It is important to note that despite the supermarkets having monopolized the market in Australia and New Zealand, it has a very small portion of the international market. This means that it has a lot of problems when it comes to competing with some of the world renowned retailers such as Wal-Mart. This means that the company needs to make sure that it has ventured more on the international scene in order to acquire a bigger market (Keith, 2012).

***Increase in debt***

Since the supermarkets are still under the mother company, any financial situation affecting the mother company also affects the supermarkets. Due to the many acquisitions that have been made by Woolworths Limited in the recent past, the company has been experiencing an increase in debts (Woolworths, 2015).

**Opportunities**

One of the opportunities that the company has is the potential to increase the customer base. This can be done by venturing into online retailing. Once this has been done, the company can make use of the various opportunities that are provided for by the internet. Moreover, the company has the potential to make sure that it has increased the market share. This can be achieved by adopting a globalization strategy where the company will venture into other markets in different countries, which will make sure that the company will be able to compete effectively with the other companies. The health food sector is also an opportunity that can be used by the company in order to make sure that it has more customers. The increase in population in areas that the company has retailers is also an opportunity for its growth. Consequently the ICT sector also offers the company an opportunity to increase the number of sales (Woolworths, 2015).

**Threats**

The company is also faced with a considerable number of threats that might affect it in a negative way. The Australian economy has seen a slow growth that has been coupled with uncertainty in the recent time. Moreover, the recession in different parts of the world has also led to a decrease in the number of sales. The company is also under pressure from the government to reduce the business (Richards, Lawrence, Loong, & Burch, 2012). The dominate power of the suppliers is also a threat to the business. When this is combined with technological advantage, the company is at a very high risk of failing in most of its operations (Dwivedi, Merrilees, Miller & Herington, 2012).

A SWOT analysis is best shown as a diagram with points or short sentences in each section clearly outlining the strengths etc. (referenced of course as to where you got the information) Then you should work with the information you find to analyse and assess the strategic positioning of the organisation. You can work with identifying any strengths that might help take advantage of opportunities, or weaknesses that might stop you taking advantage of an opportunity, or similarly assessing whether a threat has any relationship to weaknesses. There is a strategic analysis help video on Bb to help with this as well as my notes. Otherwise by just having the SWOT as is, the information just sits there, doing nothing. Then you can answer the last question in Section C of my notes.

**Management**

As was stated in the governance section, the organization has still some of its managerial roles being carried out by the mother company. Mother company? Where is that mentioned? The best management theory where the organization fits is the Theory X and Theory Y that were developed by Douglas Macgregor. It is important to note that most of the recommendations drawn from the two theories are based on the Maslow’s hierarchy of needs. In order to understand the various managerial services that are provided by the organization, it is important to make sure those different functions are discussed based on the two theories (Dawson& Mukoyama, 2013).

It should be noted that the organization uses both the two theories in order to get the best outcomes. According to theory X, workers are people who are motivated by their own basic needs. In this context, the workers are viewed to be lazy and not able to work unless they are supervised. This implies that any manager who uses theory X can be said to be authoritarian or autocratic... such a manager does not give a lot of credit to the employees. The use of controls and incentives is one of the methods that are adopted by the managers. The hierarchical structure that has been adopted by the company management is a proof that Theory X is the one working in the organization. However, there are various instances where the organization has implemented the use of Theory Y in its management structure. According to theory Y, the managers take the employees to be ambitious, people who are self-directed as well as people who self-motivate themselves. In this theory, employees have a choice and they choose to act according to the expectation of the organization. According to this theory, the employees take work as a reward which makes them take pride in their efforts (Dwivedi, Merrilees, Miller & Herington, 2012).

**Ethical Decision Making**

According to the hierarchical management structure of the organization, it can be seen that every director has his or her own roles that he has to play. On the same note, the fact that they are answerable to someone higher than them means that they are going to take an extra step and ensure that everything is in order for the sake of the company (Methner, Hamann & Nilsson, 2015). Ethics is one of the most important elements of the company. In this regard, the company believes that it is important to guide the employees in the way that they do things in the company. It is for this reason that the company has developed a code of conduct. In the code of conduct, the employers offer some guidelines on the way employees need to conduct themselves in the organization. According to Theory X, managers or directors believe that the employees may not be able to achieve the intended goals without being supervised. The directors are, therefore, required to act in accordance with the code of ethics in order to lead by example to the employees (Arli, Dylke, Burgess, Campus & Soldo, 2013). The managers or the directors monitor adherence to the code of ethics. However, the employees also trained on how to implement the ethical training initiative outcomes within their work. This means that despite the fact that the managers are the ones who offer and promote ethical guidance, there are some instances where the employees are allowed to make their own decisions. However, such decisions must be made in accordance with the interest of the organization (Jie, Parton & Chan, 2015).

**Corporate Culture**

As stated earlier, theory X and theory Y are drawn from the Maslow’s hierarchy of needs. This means that the theories are related to motivation. For this reason, the employees who work in the organization are motivated by the fact that the organization has a history of promoting its employees first instead of employing new ones whenever there is a managerial position that is vacant. Moreover, the company has a culture of upholding the human rights of the employees who work there. This means that the organization provides an avenue that can be used by the employees to grow (Klettner, Clarke & Boersma, 2014). The culture of the organization also involves the use of directors to identify some of the areas where the employees have a deficit of skills. Training in these areas is provided to the employees in order to bridge the gap that may be existing between the employees and the work they are supposed to be doing (Schmiedel, vom Brocke & Recker, 2013). Moreover, the company has a culture of rewarding the best performers as a way of motivating others to improve their performances. Another thing that should be noted is that the organization has a culture of discussing with the affected people whenever a change is to be implemented. This is always done early enough and the employees are provided with the best information regarding the situation (Akbar & Ahsan, 2014).

**Leading, organizing, planning and controlling function**

As stated earlier, the use of theory Y in the management of the organization is one of the ways that ensures its success. This is because the directors are able to engage the employees in anything that the company wants to do. There is nothing that the organization can do without first informing the employees and getting their guidance on the same. The first instance is in planning where the organization cannot implement any change without first holding a discussion with the employees who are affected by the change. On the same note, ten employees are provided with the right information unless the information is confidential. The same case applies when it comes to termination of employment in situations where the organization no longer requires an employee. Based on theory Y, the organization has to engage every member of the organization whenever something is to be done (Klettner, Clarke & Boersma, 2014). For example, theory Y encourages the management to ensure that they have kept the employees engaged in the formulation of the duty rosters. In case there will be a change, the employee will be given notice prior to the implementation of the change. The same case applies when dealing with the concept of transferring an employee to a low paying job. The employee has to be given a seven day notice prior to the change. Moreover, when the wishes to have the employees working on an overtime basis, the decision is left upon them. This means that it is a voluntary approach and the organization does not have control over the employee when it comes to overtime (Knox, 2015).

In terms of controlling, the organization ensures that it has the most talented as well as the committed retailers (Pritchard, 2010). One of the ways of achieving this is by taking into consideration the hiring process. This means that the managers of various departments stay in touch with the human resource department in order to ensure the organization hires only those it needs. Consequently, the organization has to make sure that each employee reaches his maximum potential. This is in terms of their personal development as well as their contribution to the team. However, the managers always ensure that the employees are rewarded for their efforts. In this regard, the management makes use of theory Y in order to make the organization a place where the employees can grow (Kuberkar & Raghuram, 2015).

The managers have embarked on making the organization a great place to grow. This is based on the argument that the organization needs to have skilled and confident employees who can make a difference. This explains why the organization has invested heavily in the skills development throughout the organization. As stated earlier, the organization is always at the forefront in ensuring that it has focused on the benefits as well as the rewards of the employees. The management team applies the belief that when the organization is well recognized, then it leads to a satisfied workforce. This is the only way that the company can be able to achieve customer satisfaction. According to theory X and Y, employees need motivation in order to achieve the intended goals. On the same note, having a satisfied workforce is the first step towards employee retention. Consequently, the organization has a considerable relationship with the suppliers. This ensures that the organization is supplied with high quality products that help it create a competitive advantage over the other companies around. Ensuring that the loyal customers are able to receive what they are used to at all times is one of the ways of retaining them. It is the loyal customers who help in propelling the business forward (Kuberkar & Raghuram, 2015).

This reads like a description of how X and Y can be applied to an organisation – any organisation. It is highly generalized and does not specifically refer to Woolworths. The management audit requires you to look at the functions from the theoretical view of each of those functions to see how effectively Ww is operating, not use one theory.. At present, what you have done does not directly show through evidence what Ww is doing, how well it is doing it, where it is not doing well and what can be done about it. My notes will help in this regard.

**Conclusion**

As addressed earlier, Woolworth’s supermarkets are one of the leading retailers in Australia and New Zealand. Based on its experience over many years, the company has created a reputation among the consumers. The reputation is that the loyal customers are able to get everything they are looking for under the same roof with the highest possible level of quality. The organization has ensured that it has a good relationship with every stakeholder in the organization, starting from the employees, the suppliers as well as the consumer. The employees are rewarded according to their efforts, which mean that they are satisfied with whatever they are doing. This not only increases the chances of the organization retaining the most talented employees, but also ensures that the organization is able to move towards customer satisfaction. Looking at the Theory X and Theory Y management theories, the operation of the organization can be well analyzed. The engagement offered to the employees is meant to make them more satisfied with their job. Employee satisfaction has been attributed to improved employee performance. This is based on the fact that the employees will tend to view themselves as part of the organization, which will make them work towards helping the organization achieve its goals. Organizational citizenship behavior is one of the ways that the company benefits from satisfied employees. For instance, the employees are willing to work for extra hours without expecting any extra pay. On the same note, the employees are ready to help each other whenever one is stack in some task. The organization also ensures that its relationship with the employees is good by making sure that it has informed them on anything that they would want to accomplish. This ranges from termination of employment, a change in duty roster, as well as a transfer into another department. The management of the organization also delegates duties to various supervisors who ensure that everything in the organizationn is running in a smooth way.

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