## PRI-AIN738

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# CRITICALLY DISCUSS THE IMPACT COVID 19 ON THE LEADERSHIP AND MANAGEMENT PRACTICES WITHIN MORRISONS

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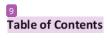
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#### **Executive Summary**

The study determines the leadership and management practises of Morrisons after pandemic and demonstrates the change adaptation efficiency of the company. This report focuses on Covid-19's impact on leadership and management approaches on Morrisons that have been crucial considering in understanding the industrial management. The external and internal factors have been identified in terms of analysing changes in socioeconomic perspectives.



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#### 1. Introduction

Leadership and management practices are the major factors of a business that determines the operation and helps in achieving goals. Based on the study of Purwanto (2020), business organisations require appropriate leadership and management practices that can help the organisation to maximise their productivity. Furthermore, external factors of environment and forces such as pandemic, Brexit, Russia-Ukraine war had major impacts on businesses and had a significant influence in changing business leadership styles and management practices. Hence, it further helps the organisations to cope with the change and satisfy the changing needs of the market. Pandemic has majorly affected the business organisation to change their operations in order to overcome the challenges of the market regarding several restrictions of physical contact and social distancing. At first pandemic influenced the public to shift their interest majorly towards the digital world. Most of the consumers and the business opted for online service delivery in order to support the change and overcome the pandemic influenced restriction.

The retail industry in the pre pandemic situation was majorly based on physical store sales. However, the pandemic influenced consumers to get inline deliveries and use online services to meet their needs. Retail businesses in the UK have shifted their business attributes towards the digital world and offered online services to meet online contact less service demands of the consumers. According to the study of Meiryani *et al.* (2022), pandemic has influenced organisations to undertake transformational leadership and certain managerial practices to overcome current business challenges and improve business profits. Furthermore, in order to discuss the impact of Covid-19 on leadership and management practices, Morrison's organisation is chosen. Morrisons is one of the biggest retail chains in the UK operating their services for more than 100 years (Morrisons-corporate.com, 2021). The organisation has majorly focused on their online delivery services after Covid-19 hit the environment. The purpose of the study is to demonstrate the pandemic impacts on the leadership and management practices of Morrison.

Leadership and management practices focusing on the theories of contingency theory, Fayol's 5 functions of Management are described. Furthermore, the emerging socio-economic and technological trends on leadership and management practices of Morrisons are also explained along with clear determination of the aim and effective implementation of

strategies within the organisation. The benefits gained by the company due to the impressive implementation of management practices and transformational leadership trends to overcome the challenges brought by pandemic are also analysed within the assignment. Leadership trends and managerial practices of Morrisons are explained through annoying their internal and external environmental factors and the strategies obtained by the company to reduce the impacts. Thus, the study clearly defines the changes brought by pandemic and the effective management practices deployed by Morrisons to overcome the challenges are discussed.

#### 1.1 Aim of the assignment and period

Leadership and management practices help organisations to increase their productivity and maximise the workers' performance level to get better outputs. Pandemic has majorly impacted each organisation and businesses all over the world due to the weak economic conditions of countries and the environmental challenges of the environment (John *et al.* 2020). The global business environment is constantly changing and developing. Therefore, in order to underpin the changing attributes Morrisons have undertaken certain beneficial strategic approaches regarding leadership and management practices that helps them to deliver best service.

The aim of the assignment is to demonstrate the impact of Covid-19 has on leadership and management practices of Morrisons and how it helps the company to overcome and mitigate the challenges of the environment brought by the pandemic. Before pandemic the organisation Morrisons had online delivery service in their around 50 supermarket chains around the UK and after the number went to 97 due to the increased demand of online services (Theguardian.com, 2021). Thus, the aim of the assignment is to identify the major changes in the leadership and management practices of Morrisons due to pandemic.

#### 1.2 Introduction of the organisation

Morrison started from just an egg and butter merchant in 1899 and became the 4rth largest supermarket chain in the UK. The company was first founded in 1899 by William Morrison as a stall in the Bradford Market (Globaldata.com, 2022). Morrisons is a large multinational business organisation headquartered in Bradford, England. The organisation has around 105,000 employees and focuses on gaining the commitment and trust of their people (Morrisons-corporate.com, 2022). Morrisons has a total number of 497 supermarkets across the UK. The company provides food and grocery items including breastfeeding products to

body care products. Furthermore, the company has a hierarchical structure and the ownership of Morrisons is a private business (Morrisons-corporate.com, 2022). Thus, the company also registered in the FTSE 100 UK companies list in the year 2001.

The vision of Morrisons is to make healthy food affordable and available for every individual.

The mission statement of the company is to make healthy food available for everyone and sell plenty of fruit and veggies.

The value of Morrisons is that the company sells best items at low prices and in large quantities to fulfil the demand of the larger population.

The key leaders and managers of Morrisons are; Chairman Executive Board; Andrew Higginson, "David Potts; Chief Executive Officer, Joanna Goff, Chief Financial Officer", "Andy Atkinson, Group Commercial Director Senior Management" and secretary of senior management; Jonathan Burke.

#### 1.3 Overview of the methodology

Methodology is an important part of a research that determines the appropriate methods chosen to develop research to get appropriate outcomes. In this case qualitative analysis through conducting a secondary data collection method has been chosen. Furthermore, Academic research papers, articles and annual reports have been analysed in order to develop the research. Secondary research method is considered as an appropriate method for the assignment to deliver the best results through identifying and evaluating information published by researchers on the leadership and management practices of Morrisons after the pandemic.

### 2. Critical discussion on Covid-19's impact on the Leadership and Management practices within Morrisons

### **2.1 Critical discussion** on the Leadership and Management practice within Morrisons considering circumstances regarding Covid-19

#### Leadership and Management in Morrisons prior to Covid-19

Leadership and management (L&M) practices are important for businesses regarding implementation of organisational operations considering their contribution to achieving business objectives. Prior to Covid-19, Morrisons' management approach has been limited to market operations. CEO of the company, David Potts led the functional teams along with other board members of the company (Morrisons-corporate.com, 2022a). Therefore, it can

be stated that Morrisons follows a hierarchical structure that controls the business functions including supply chains and distribution which have been most impacted during Covid-19. In 2022, the supply chain disruption cost of Morrisons amounted to £44 million, which depicts the outcome of Covid-19's detrimental impact on supply chain and logistics (Morrisons-corporate.com, 2022b). Hence, the pandemic's impact on both external and internal factors has been important to be identified.

#### External factors that catalysed the impact of Covid-19 on L&M practices

Factors	Implication	Impact
Political	<ul> <li>According to the ONS report, in 2021, 24% of businesses experienced price fluctuations (Ons.gov.uk, 2021a).</li> <li>International exports and imports have been temporarily stopped.</li> </ul>	High
Economic	<ul> <li>In 2020, annual sales value in the retail industry was £436.74 billion (Statista.com, 2022).</li> <li>Volume of retail sales was demoted by 1.9% in 2020, compared to 2019 (Ons.gov.uk, 2021b).</li> </ul>	High
Social	<ul> <li>Online retail channelling had been preferred by potential customers.</li> <li>Employees have been supported by Furlough Scheme (Ons.gov.uk, 2021b).</li> </ul>	Medium
Technological	<ul> <li>40% of shoppers preferred online shopping using e-commerce platforms during Covid-19 (Statista.com, 2023)</li> <li>Retail companies used dedicated applications to enhance sales through</li> </ul>	Medium

	online shopping.	
Legal	<ul> <li>Covid-19 impacted wage rates that have been paid to the employees in retail sector.</li> <li>Simplification of taxes for 99% of commercial businesses (Parliament.uk, 2020).</li> </ul>	Medium
Environmental	<ul> <li>Food waste in grocery stores impacted supply chain during Covid-19 due to irregular transportation.</li> <li>Industrial resources and farming had become reasons for environmental degeneration (Bbc.com, 2021).</li> </ul>	High

Table 1: External analysis of the Retail industry in UK0020during Covid-19 and its impact (Source: Created by author)

It is crucial to observe that external drivers in the retail industry impacted the socio-economic and technological aspects that used to contribute to the growth of retail industry. The price fluctuations in resources impacted the availability of products during Covid-19. Morrisons' effective leadership have made attempts to support local suppliers such as supporting farmers and fishermen by providing them discounts (Morrisons-corporate.com, 2021). Restrictions on international export and import also made an impact on supply of the product. Therefore, Morrisons' leadership successfully managed import duties and other taxes in order to enhance funding. The government also came forward to support the employees in retail through Furlough scheme, which inspected the socioeconomic support of the employees. Using appropriate leadership and decision-making, Morrisons also organised webinars to support suppliers and staff regarding furloughing, which have been attended by more than 4000 participants. In developing support technologically, Morrisons enhanced online channelling by delivering products to 97% of British houses using their effective online delivery despite of lack of transportation (Morrisons-corporate.com, 2021). It has been observed that assessing the risks and evident issues in business functions are required to be

discussed among the leadership and management. This has helped the company in developing implications for managing staff and aids in managing risks in crucial times of disruption.

#### Internal drivers and factors and their impact on L&M practices

Strengths	Weaknesses		
<ul> <li>Leveraging the brand strength to reach extended range of customers.</li> <li>During the pandemic, Morrisons hired 3 non-executive directors in order to enhance business functions.</li> </ul>	<ul> <li>Morrisons faced complications regarding audit functions and assessing risks.</li> <li>Customer expectations have not been met often.</li> </ul>		
Opportunities	Threats		
<ul> <li>Morrisons contributed in 269 stores by bringing loose products without plastic packaging.</li> <li>Cost-effective opportunities have helped to manage stakeholder pressures.</li> </ul>	retail companies such as Aldi, As and Tesco.  • The inappropriate implication of r		

Table 2: Internal analysis of Morrisons during Covid-19 and its impact

(Source: Annual Report, Morrisons-corporate.com, 2021)

The internal drivers helped Morrisons to implement effective risk assessment strategy which further focuses on assessing customers' intention to buy products with appropriate pricing. Effective change in board leadership from relevant business functions contributed to organisational growth during the difficult time of pandemic which helped Morrisons to achieve its corporate objectives (Morrisons-corporate.com, 2021). Furthermore, the company analysed their opportunities to stay in a leading position in the competitive retail market by providing customers with products that are cost-effective.

#### Relevant L&M theories

#### Fayol's 5 functions of Management



Figure 1: Fayol's 5 functions of Management

(Source: Influenced by Purwani, 2023)

Managing organisations include operational functions that impact developing the purpose of the business by aligning actions with organisational objectives. Fayol's 5 functions of management include planning, organising, commanding, coordinating and controlling which create a harmonising impact on the organisational functions (Purwani, 2023). These functions help in solving managerial issues and complexities. Therefore, relationships between managers and employees are enhanced by considering implications and enhancing motivations in the workplace. This theory helps in understanding management approaches that helped in managing implications during Covid-19 which impacted on its growth.

#### Contingency theory of leadership

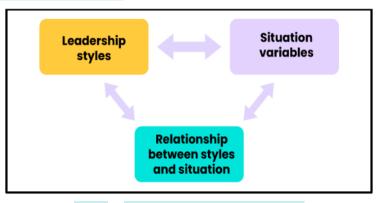


Figure 2: Contingency theory of leadership

(Source: Influenced by Chong and Duan, 2022)

The contingency of leaders is determined by the impacts of the external situation considering the leadership style. This theory focuses on managing situations and their outcomes and inspecting the consequences in order to maximise the involvement of leaders in the system. As per the opinion by Chong and Duan (2022) contingency theory of leadership emphasises on external circumstances along with the employee skills that are crucial to achieve organisational success. In this regard, it can be stated that Morrisons' effective leadership took complete advantage of government policies such as Furlough schemes to provide opportunities for their staff. This is an instance of effective leadership practice considering the external circumstances during the implications of global pandemic.

### 2.2 Critical discussion on emerging socio-economic and technological trends that impacts on Leadership and Management practices of Morrisons

On a socioeconomic perspective, this can be stated Morrisons has focused on online sales to reach British households in terms of developing their implications. As per the opinion of Bravi et al. (2020), organisations depend on the socioeconomic elements that have been crucial for the organisation which have been important considering the external issues that companies are facing. Therefore, it can be stated that Morrisons have been implicative considering their key strengths in mitigating contemporary issues that impacted their progression. Considering the external drivers that impacted the retail industries which affected the organisation, Morrisons focused on responding to the issues that were assessed during Covid-19. The employees and colleagues in Morrisons have followed the social distancing guidelines that is implemented by government. Furthermore, the economic uncertainty that also imbalanced the implications of the issues regarding product distribution and operational management. This is also important to implicate in this regard that group sales which has been unprecedented in this time of economic and social disruption also contributed in organisational implications. Morrisons also invested a £67 million which have been used in impairment of cloud based technologies that has been crucial in considering implication (Morrisons-corporate.com, 2021). Therefore, this has been implicative for Morrisons to enhance leadership and management approach that contributed development despite this difficult socioeconomic crisis.

#### 3. Conclusion

#### 3.1 Highlights of key leadership and management theories identified

Leadership and management theories used in the study to derive the leadership attributes of Morrisons are Fayol's 5 functions of Management and contingency theory of leadership. Key highlights of Fayol's 5 functions of Management are that it depicts that proper control and demanding management practice helps Morrisons to increase their profitability (JD and Alan, 2023). Furthermore, after determining the change in their leadership and management practice to adapt digital technologies and effective methods helped the organisation to increase their market share and market hold. It has been figured that the company has a 9.1% market share in the grocery market of the UK (Statista.com, 2022). Furthermore, the contingency theory of leadership theories helps to determine that Morrisons effective strategic approaches helped the company to win over the government challenges and policies to support the organisation's growth majorly.

#### 3.2 Presentation of key emerging socio-economic and technological trends

The global environment is constantly changing and developing with the emergence of advanced technologies and socio-economic changes. It has been identified that the company has taken certain strategies to support the change and invested a large amount of money in the advanced technologies and research and development. Hence, it helps the company majorly to focus on their effective strategies and deploying advanced technologies such as cloud computing in order to provide improved services to their consumers (Paulsson *et al.* 2020). Additionally, it can be determined that analysing the major factors of the socio-economic condition helps to depict that Morrisons has effectively led through digital transformations to support the demands and increased consumer engagement.

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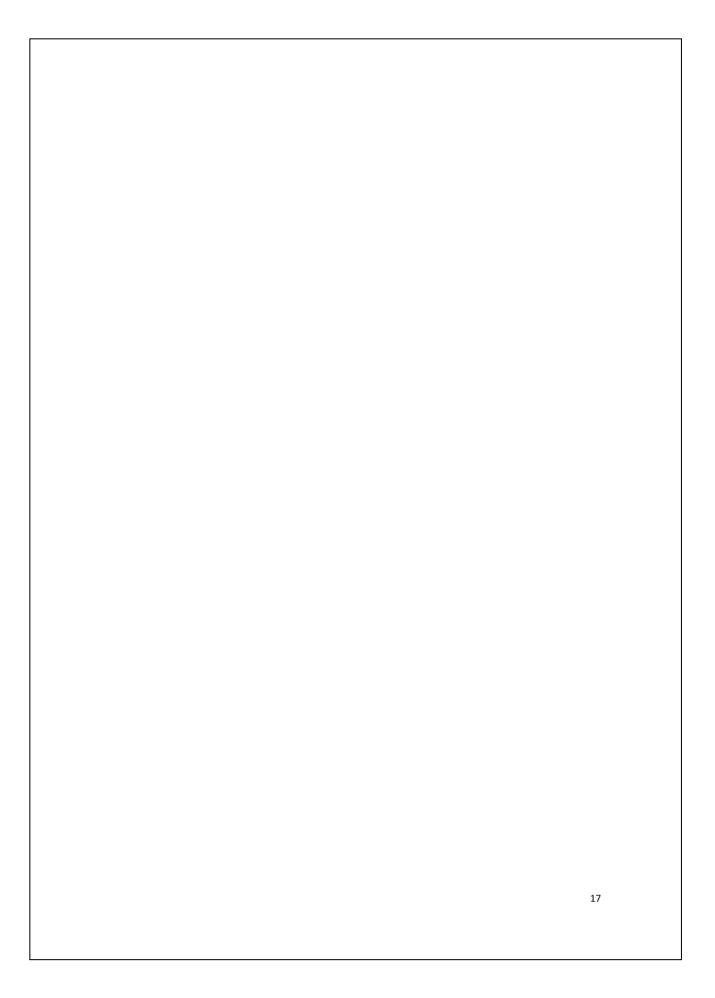
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