Organizational Behaviour: Comparing and Contrasting the Components between IKEA and Leon's

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Introduction

Organizational Behaviour (OB) - studying, understanding, and improving the behaviours and attitudes of individuals and groups in organizations (Colquitt et. al, 2019).

IKEA - Founded in 1943 by Ingvar Kamprad

"A better everyday life for the many people"

Leon's - Founded in 1909 by Ablan Leon

"An integral part of Canadian homes"

Job Performance - Differences and similarities

Task Performance

IKEA - retail, corporate, design & communication

Leon's - customer care, sales, management

Citizenship Behaviour

IKEA - Tack! Program, gender equality, LGBT+ inclusion, Diversity & Inclusion Ambassador

Leon's - discounts, equal benefit packages, training programs

Counterproductive Behaviour

IKEA - Spying, employee theft, lawsuits of age discrimnation

Leon's - less publicized, but one example: Cromwell vs Leon's alleged racial discrimination

Job Performance - Effectiveness and Recommendations

Effectiveness

IKEA - International recognition, Fortune's 100 best companies to work for

Leon's - More concentrated in Canada, Canadian Home Furnishings Alliance: Retailer of the Year (2017)

Recommendations

IKEA - Maintain current system of MBO and 360 degree feedback, but include aspects of BARS

Leon's - Limited information, some aspects of MBO, further prioritize the people by implementing BARS and possibly social networking systems

Cultural Values

IKEA

- Swedish Roots Province of Småland
- Low uncertainty avoidance: Everyone has something to offer
- More feminine values: Care for nature and the community
- Has been effective on a global scale
- Recommendation: Maintain these values as the organization continues to expand

Cultural Values pt. 2

Leon's

- Individualism:
 - Focus on individual hard work
 - Take care of immediate 'family' with employee benefits
- Honesty and Integrity
- Began in Canada by an immigrant: Multiple cultural influences.
- Recommendation: Implementing strategies that encourage employees to work together

Similarities:

Value of hard work

Differences:

Individualism - Collectivism

Motivation Approach

Leon's

- Employee discounts
- Flexible insurance plans
- Training programs
- Performance-based bonuses
 - 1 Year revenue increase of 1.18%

IKEA

- Employee discounts
- Flexible insurance plans
- Training programs
- Performance-based bonuses
- Maintained retirement plan
- Opportunities to move up within company and move locations
 - 1 Year revenue increase of 1.31%

Motivation Approach

Recommendations

- Try to use a variety of rewards to incentivise employees to work harder
 - Objects, tickets to events, more vacation time, etc.
- Let employees have a say in their reward

Ethics

IKEA

Environment --- The world's largest timber buyer

Destroy protected forest

Affected the habitat of animals in the local forest

People --- Child labor

Age discrimination.

Promotion and wage problem

Recommendation: carefully monitoring its operations in different countries

Ethics

Leon's

- Employees --- Laid off almost 50% of its employees in 2020 due to the impact of covid-19
- Consumers --- Violated the rights of some consumers in 2017 because of the false or misleading advertisements

Recommendation: listening to their customers and employees

Ethics - Similarities

Similarities

High quality furniture at low prices

Facing accusations of ethical issues

Integrity and fairness, which is reflected in

their failure to comply with loyal

relationships with employees and

customers.

Communication

Similarities:

- Timely communication with dealers
- Bridge between dealers and C-end customers
- Communication standards, as this is unavoidable for large enterprises.

Communication IKEA

- -Attract employees while sharing knowledge strategies
- Key business plans and new products

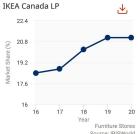
Leon's

Honesty and integrity

Team Structure

- Both Ikea and Leons use Functional Structure Systems.
 - The main difference is the Size of operation and outreach
- Ikea went through a restructuring in 2016
- Both now are headed by a board of directors
- Ikea is Managed by Inter Ikea Holding BV
 - Leon's manages an additional chain through their board of Directors called
 - "the Brick"

Power + Influence - Comparison





Similarities

- Large market share, high bargaining power
- Differences
 - Focus on reward power
 - Collaborates with employees





- Similarities
 - Large market share, high bargaining power
- Differences
 - Focus on legitimate power
 - No standard influence strategy, only personal



Leon's Furniture ordered to pay ex-worker for racial discrimination

Power + Influence - Effectiveness



- How effective is their strategy?
 - 22nd best workplace
 - 04G
 - Useless rewards
 - Popular small-scale collaborations









- How effective is their strategy?
 - Mediocre employee ratings
 - Discrimination scandal
 - Effective buyout of The Brick











Power + Influence - Suggestions



- How can they improve?
 - Rationally explain decisions
 - Collaborate to create better rewards



- How can they improve?
 - Standardize management practices
 - Rationally explain decisions
 - Collaborate to understand employees

Organizational Culture

IKEA

- Creative design
- Simple style
- Convenient integrated shopping experience.

Leon's

More of a synonym for select products.

Approach to Change

IKEA

- Global company
- Contributes more to local community services
- Pays more attention to the job performance of employees

Leons

- Family business→relatively conservative to change
- Need more fresh blood to enter the company's team and management.

Conclusion

IKEA and Leon's both value the importance of home to the everyday consumer

And both have the potential to continue improving their organizational behaviour approaches