Decision-Making Authority in British Supermarket Chains

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Abstract

This paper analyses the authority of store managers for the stocking and merchandising of British supermarkets in the period between the mid-1960s and the mid-1980s. Using oral history and business archive data, the paper assesses the case of two broadly similar retail chains. It identifies variations between the firms in relation to the extent of centralised versus decentralised control at the start of the study period. It then shows how the firms came to operate an essentially similar approach by its conclusion. Explanations for the changes identified are drawn from an assessment of the retail environment, and differences between the firms in terms of corporate culture.

Key Words: Retail History; Retail Strategy; Management Decision-Making; Supermarkets.

1.0 Introduction

This paper considers management decision-making authority in British supermarket chains. It analyses the decision-making authority of store managers for the stocking and merchandising of ‘their’ store, and in relation to Head Office and regional-level management. This places the empirical focus of the paper at the intersection between marketing and operations. The paper presents a conceptual discussion which provides the basis for consideration of two retailer case studies. Among the questions explored are: what approaches to the control of management decision-making authority were employed by retailers operating supermarket chains during the period between the mid-1960s and the mid-1980s; how did these approaches influence the firm’s resource deployment and capability development; and how and why did approaches differ between firms and over time? Such questions are highly pertinent both to the study of business history and to contemporary business and management studies.

Historical analysis of the supermarket format in post Second World War Britain has provided surprisingly few studies concerned with issues of management control.¹ Instead most emphasis has been placed upon spatial and structural aspects of the emergence of self-service and supermarket retailing practices, and the role the supermarket format in changing consumer cultures.² Nonetheless, the contemporary trade press on occasion pointed to the significance of a better understanding of approaches to management decision-making at the store level, with studies uncovering significant variations in practice in retail chains across Europe.³ Writing on the challenges of supermarket management in the mid-1960s, one commentator explained the uncertain public image of the supermarket chain Fine Fare in relation to the issue of management control:

“Individual store managers were given considerable discretion in coping with the problem of sales falling below target (the result of over-rapid, enthusiastic expansion of sites). A welter of free offers, attempts to trade up the scale, over-deep price cuts and other variations left the public with no clear idea of what Fine Fare really represented as a whole or store by store - a severe handicap for any store group.”⁴

Writing in the mid-1980s, Dawson observed that “many companies *still* give the appearance of feeling their way in terms of management style.”⁵ Subsequently retail management scholars have characterised the 1980s and 1990s as decades during which British grocery retailing witnessed a general trend of the “reduction of store-level decision-making in favour of corporate control at the centre.”⁶ This process was aided by the roll-out of scanning and other computerised systems across British grocery multiples’ store estates.⁷ But this raises questions about the situation during the preceding decades during which the supermarket became an established format in the British retail environment.

Consequently, this paper aims to build upon our existing knowledge of the issue in three main ways. First it provides a more thorough introduction to the debate of management control of supermarket retailing in post-war Britain than is typical of much of the recent business history research. Secondly, retrospective analysis has established the general chronology of patterns of change in management decision-making control. The empirical evidence presented in this paper is organised in an effort to show the potential for historical research to uncover more of the granularity of the transformations occurring. Related to this it seeks to illustrate the potential of focusing on moments of decision making rather than outcomes; which leads us to think about alternatives, and about how what were to become outcomes were subject to contest and challenge.⁸ This is highlighted in this study through a direct comparison of the two retailer cases. Thirdly, it presents a framework for further study that is focused on two areas that in combination offer powerful explanations for the trends identified: the influence of the changing market environment, and that of corporate culture and hence also agency within the firm.

As such the study seeks to contribute to the wider understanding of the history of retailing during the study period. Whilst supermarket numbers grew rapidly during the 1960s and initiatives were launched to share knowledge on operating the new format,⁹ the fundamental nature of the change to retailing and shopping practices heralded by the supermarket ensured that it would be more than a decade before a revised ‘macro-culture’ emerged in the sector.¹⁰ The adoption of a firm-level assessment of approaches to management decision-making control is thus considered particularly

relevant. More generally, the study also seeks to contribute to the debate on the relationships between strategy, structure and the organisation of management decision-making, and their effects on organisational performance.

The remainder of the paper is divided into five parts. The first provides a review of some of the multi-disciplinary literature that contributes to the development of the conceptualisation underpinning the analysis of decision-making authority in retail chains in this study. Informed by the literature review, the next part presents the conceptual framework, and evaluates the relationship between decision-making structures and processes and the firm's resource deployment and capability development. Following a discussion of the methods underpinning the empirical research, the third part provides an assessment of the organisation of management decision-making in two British supermarket firms J. Sainsbury and Tesco.¹¹ These two businesses had among the highest grocery market shares throughout the period under consideration. This is followed by a discussion of the importance of incorporating consideration of both the external market environment and internal firm-specific factors in explaining the approaches to the control of management decision-making authority identified. The final part of the paper draws together the conclusions of the study. It explains the contribution of the research to our understanding of retail change during the study period. More generally it assesses the relevance of the approach taken to studies of the contemporary retail industry.

2.0 Related Research: Understanding Decision-Making Control in Retail Chains

The focus of this paper is on the decision-making authority of the store managers of Britain's emerging supermarket chains for stocking and merchandising of the store. The debate on centralisation versus decentralisation is of considerable relevance here,¹² including as it relates to the coordination of multi-unit firms – chains, or multiples, in the lexicon of retail management – trading across heterogeneous geographical markets.¹³ With regard to retailing, it is suggested that decentralised firms perform better when markets are localised and heterogeneous, and centralised firms when markets are wider and more homogenous.¹⁴ The degree of heterogeneity or homogeneity

of markets reflects specific demand and supply conditions. On the demand side these include consumers' sensitivity to store outputs (including price, assortment, and service). Low sensitivity to deviations of local stores from the standards held by consumers reinforces localised shopping behaviours. An increase in sensitivity leads consumers to shop around, broadens the market and enhances the tendency toward homogeneity. On the supply side an increase in competitive intensity in the distribution channel accelerates the rate of innovation and leads to improvements in outputs. In turn, this enhances consumers' search across stores and markets, further increasing market homogeneity.¹⁵

Whilst clearly differing in context to this study of British supermarket retailing, historical analyses of US department store retailing reveal the significance to chain retailers of choices made regarding the adoption of centralised and decentralised management decision making approaches. Moreover they highlight the contribution of different types of knowledge, both tacit and explicit, to retailer decision-making and the role of information technologies in mediating their influence; themes that are also shown to be of importance in this analysis of post-war supermarket retailing in Britain. In developing his thesis on the linkages between strategy and organisational form, Chandler examined the evolving decentralisation of the Sears, Roebuck and Company business following the entry into store based retailing in 1925.¹⁶ At the culmination of Chandler's study, in the early post-war years, whilst buying remained centralised, executives in territorial offices had responsibility for a variety of operations including inventory and sales. As Raff and Temin observe of the situation in the business during the interwar years, "Store managers, and a territorial organization that grew up over them, purchased from the buyers the goods that were sold in the local stores... [E]ach local store manager to a considerable extent autonomous within the four walls of his own store. The buyers therefore had to do far more than simply procure goods on favorable terms. They had to persuade the store managers to stock them."¹⁷ What this approach to stock control revealed was the significance for Sears' store-based operations of local and regional variations in demand for goods and services. It stood in contrast to the situation in mail order retailing, Sears' origins as a retail business, in which buyers were in effect sourcing for a national market and in which regional variations and anomalies of demand could be

more readily smoothed.¹⁸ Many US department store chains displayed an even more decentralised structure, with buying and merchandising orchestrated at regional and even local store level.¹⁹

Poor performance during the 1970s, in large part the result of competition from discount department stores and focused specialty stores, would refocus attention at Sears on the issues of organisational structure and management control.²⁰ In contrast to Sears, these newer competitors typically operated centralised buying procedures and used new information technologies more intensively in an attempt to control the supply chain and enhance performance. Debate ensued between two groups in Sear's management which held differing views of the nature of the competitive challenge, and how best to respond to it. In essence, one group advocated taking away store managers' decision-making authority on matters of stock and inventory control, whilst the other sought to retain much of their independence through decentralised control.²¹ The latter group won the argument, and this decision would subsequently be identified as part of wider problems in the firm's retailing operations that put the survival of the firm in jeopardy.²²

The importance of local, often tacit, knowledge for effective decision-making in stocking and merchandising the store provides some explanation for the tendency among retail chains for decentralisation of decision-making authority. As Wood observes on US department store retailing, "... there was an emphasis on tacit/local market knowledge, above any centralising tendency, as markets were regarded as complex, 'each one differing from the other and for that matter having differences between themselves...'", "...the geography of US department store retailing had become a highly decentralised activity. Merchants were locally embedded within their core markets, knew them well, and performed ably."²³ Subsequently new technological systems have promoted enhanced centralisation in US department store retailing, a trend also evident across other retail formats and in other retail markets, with the potential for enhanced economies of scale and scope as a result.²⁴ However, this is not to suggest that local market information has become entirely unimportant, particularly in conditions of heterogeneity in demand and supply.²⁵ For example, Raff, in a study of superstore business models in book retailing, reveals how sophisticated centralised inventory control could be augmented by soliciting information from store-level staff.²⁶ As Amin and Cohendet suggest,

it is important to be able to integrate fragments of localised learning in the management of core competencies in business networks.²⁷ Retail firms need to continue to find the right balance between centralising systems and control and local input to decision-making in today's market, much as they did in previous periods.

In considering the capacity for organisational learning among chains, it has been posited that “chains emphasize replicating and coordinating a standard set of routines or capabilities in multiple locations”, and that “through transfer learning among components, multiunit chains not only replicate but also improve their routines, resulting in learning curves within each component and spillover learning among them.”²⁸ Yet, studies of the ability of chains to respond to local market variations suggest differences between them in this regard based upon governance. In a comparison of company-owned and franchise operations in US restaurant chains, for example, Yin and Zajac observe that “for company-owned stores, chains are typically involved in both tactical and strategic decisions”, and that consequently “with few decision rights in the hands of company store managers, local adaptation for company-owned arrangements is a rather coarse-grained approach, targeting the whole local market rather than individual stores. ... Company store managers are supposed to operate stores by maintaining standards rather than responding to local markets conditions.”²⁹ Thus, consideration needs to be given the manner in which issues of governance and authority permeate and inform those of strategy-structure fit.³⁰

3.0 Conceptualising Decision-Making Control in British Supermarket Chains

The concern here is to conceptualise management decision-making authority in company-owned supermarket chains with regard to stock control and merchandising at the individual store level. Such chains are distinct from cooperatives, retail voluntary group chains and franchise chain arrangements that themselves display variations in terms of inter-firm strategic integration.³¹ In basic terms, and following the existing literature, it is possible to distinguish between the adoption of a centralised or a decentralised organisational design.³² In a fully centralised organisational design all relevant decision-

making authority rests with the “Head Office”, whilst in a fully decentralised organisational design it rests with the management of the individual retail outlet. A fully centralised decision-making structure is compatible with the ‘retail philosophy’ that the performance of the chain is determined by the ability to implement chain-wide capabilities that lead to economies of scale and scope. A fully decentralised organisational structure is compatible with the ‘retail philosophy’ that the performance of a chain is determined by how successful each individual store is in its local market area.

However, as Teece observes, “centralizing and decentralizing are not genuine alternatives for organization; the key issue is to decide the mix”.³³ Moreover, in relation to decentralisation it is important to recognise the potential for considerable variation in the extent of autonomy granted depending on the decision making area in question. Hence there is a continuum of decentralisation between ‘Full and Complete’ and ‘Partial and Limited’ decentralisation. In ‘Full and Complete’ decentralisation the chains’ performance is considered to be determined by how successfully each store is trading in its local area. Store-level resources and capabilities are seen as the basis of success. Any investments in chain-level institutions and capabilities are made with the intent of providing support to stores in their particular market environments.

In the case of ‘Partial and Limited’ decentralisation, chain-level capabilities, which can generate economies of scale and scope, are considered to be more important in determining both the firm’s overall competitive position and how well each of its stores performs. The company invests its resources in building chain-level institutions and capabilities. Firms invest in co-ordination systems designed to closely integrate the network of stores, so as to ensure effective implementation of chain-wide strategies.

Conceiving of the extent of decentralisation as points along a continuum that vary depending on the decision-making area under consideration is important in relation to the empirical focus of this study; decision-making relating to the stocking and merchandising of the supermarket. Opportunities for economies of scale and scope in retailing can vary between product and service categories as a result

of fragmentation in local supply and demand conditions. Hence, store managers might simultaneously exercise variable decision autonomy across categories.

Firms positioned at the opposing ends of the decentralisation continuum will develop distinct and specialised capabilities, which evolve along increasingly divergent development trajectories as the chains expand. Chains that pursue ‘Full and Complete’ decentralisation across most decision-making areas display strong sets of capabilities accumulated at the individual store-level, but far weaker capabilities at the chain level. Individual store managers accumulate strong resources and develop capabilities reflecting local market opportunities and challenges. But, in cases of perceived market heterogeneity in terms of local demand and supply conditions, there is limited benefit in being able to transfer these capabilities across the firm, and thus the individual store component of the firm’s set of capabilities and resources remains tacit and diffuse.³⁴ In contrast, firms adopting a more centralised approach to decision-making across most decision-making areas, *i.e.* those closer to the ‘Partial and Limited’ end of the decentralisation continuum, display strong capabilities accumulated at the chain-level, but usually weaker capabilities at the level of the individual store. In conditions of market heterogeneity, the focus upon chain-level disciplines necessitates that the expanding firms develop a more complex body of capabilities, systems and repertoires designed to realise economies of chain retailing despite localised demand and supply conditions. This discussion leads us to expect that in conditions of market heterogeneity chains that are expanding following a ‘Full and Complete’ decentralisation display a comparatively flat capabilities’ trajectory over time whilst the trajectory of those pursuing a more centralised approach is steeper.³⁵ Hence these two trajectories become increasingly divergent. The expected pattern is shown in Figure 1.

[Insert Figure 1 Here]

4. Decision-Making Control in British Supermarket Retailing

This section of the paper provides an overview of the methodology underpinning the empirical study, and then presents the findings of two case studies that illustrate the approaches to management decision-making at J. Sainsbury and Tesco in the period between the mid-1960s and the mid-1980s. The cases are of interest as they allow for comparison of two firms operating with essentially similar retail business models and that were vying for market share supremacy in the grocery trade throughout much of the period under consideration. It is not suggested that the cases as presented below provide a complete account of all changes occurring in management decision-making authority and control at these firms during the study period.

An extensive reading of the trade press and of available corporate histories provides useful contextual information for the study. Corporate histories of retailers represent the richer source in relation to matters of management decision-making authority and control. The tendency of some such histories to focus upon the founder and their families can be informative given retailing is one sector in which founder families maintained an influential role.³⁶ However, such histories vary considerably in their rigour and as such require particularly careful assessment.³⁷ A well-used source in much historical retail research, the trade press provides significant insight into patterns of change in the grocery sector.³⁸ However, the review of sources informing this paper and the wider study from which it is drawn suggests detailed discussion of the styles and processes of chain management to be scarcer.

Given the limitations of published documentary sources, a number of business-related oral histories relating to the retailers, J. Sainsbury and Tesco, have also been analysed to supplement the available data. These have been accessed from existing collections and were selected due to their focus on the issues of store management. In relation to Tesco, the 'Tesco: An Oral History' collection gathered as part of the British Library's National Life Stories oral-history project has been used. Contributors to this collection were selected by National Life Stories, an independent charitable trust within the British Library, in association with Tesco, and the approach is described as one of life stories, with special emphasis on working life.³⁹ In the case of J. Sainsbury, oral histories available in the firm's

archive collection have been accessed. The archive holds oral history interviews from employees at different levels of the organisation and includes those commissioned to support published histories of the firm, as well as others that the archive papers suggest were provided proactively by interviewees upon their retirement.⁴⁰ The research for this paper is underpinned by direct analysis of some 20 oral histories in total. Such data provides an important supplement to documentary sources, and one that can be particularly appropriate in probing undocumented, unsolicited or unauthorised activity within the business organisation.⁴¹ Nonetheless, use of oral histories in this particular context raises a number of important methodological issues. These include concern over possible corporate interference in commissioned projects, although Perks (2010) suggests that ‘the consensus amongst business historians is that most commissioned projects are allowed free rein, at research stage if not at publication stage...’⁴² No publication restrictions were imposed on the oral history data used in this project. Also, an additional set of interviews was undertaken directly by the author with former retail managers and directors from the two companies to both confirm and contextualise information and data drawn from the other sources.⁴³ Moreover care was taken to consider a number of interviews that reflect the views of managers who worked at different levels within the two companies in the post-war decades, from store manager to Chairman, and to consider contributions from individuals who worked at a number of managerial levels within the organisation and thus perhaps held a wider perspective. The study is further underpinned by an extensive analysis of relevant documents in the J. Sainsbury archive.

4.1 J. Sainsbury: Adapting Centralised Management Control

J. Sainsbury maintained a highly centralised control of management decision-making as it developed its supermarket operations during the early post-war decades. This reflected the structure and processes that had been developed since the firm’s inception and that had been reinforced by the essentially organic nature of the chain’s growth. As Emerson observes of the business up to 1939, control from the headquarters was ‘fastidiously and constantly applied...’⁴⁴ A review of the company

and its operations published in *Management Today* in 1967, and republished in full in the July issue of *JS Journal* that year, described the extent and nature of the continued centralisation of decision-making.⁴⁵ It explained that all buying decisions came from Head Office, and also decisions on which lines were to be carried by each shop, and those on promotion. Prices were also decided centrally, it was reported.

Computerisation of the stock ordering function at Head Office began in 1961 with the installation of an EMIDEC 1100 computer which replaced the mechanised Powers-Samas punched card system that had been in use for centrally managed stock control of non-perishable items. Continued investment in computerisation was vital in enabling the company to maintain its highly centralised control of the increased volume and widening variety of goods being sold through the retailer's expanding network of larger self-service stores and supermarkets. This was particularly so as the stores were progressively supplied by a number of new regional distribution centres designed to relieve the pressure on the outdated and congested Blackfriars depot in London.⁴⁶ It was reported that some seventy per cent of goods were supplied through the company's own depots during the early years of the 1970s.⁴⁷ Sainsbury's own brand lines were extended considerably during the 1960s, and it has been estimated that they accounted for over 50 per cent of the firm's turnover by the end of that decade.⁴⁸ One consequence of this high proportion of own label sales was that it further heightened the importance of the centralised management functions, not only in buying and design but also in distribution, and of the need for strict disciplines at store level, including in merchandising.⁴⁹

Store managers' scope for individualised decision-making thus remained restricted. Managers were instructed that any store-level alterations to the stock orders calculated by the central systems were permissible only in exceptional circumstances, and with prior agreement.⁵⁰

The Vice-Chairman John Sainsbury provided one explanation for the continuation of centralisation of management decision-making authority; "Of course, he [the store manager] is of a higher calibre, but he needs to be just to run the store. In fact they prefer to have all those worries taken off their shoulders so that they can get on with their proper job."⁵¹ However, a subsequent company history

suggests the approach to management decision-making control also reflected weaknesses among some of the cadre of existing store managers, who were well trained to execute instructions but less well-equipped to manage the new supermarkets.⁵²

Changes to decision-making control structures and processes were made during the 1970s to account for the continued growth of supermarket operations, and the increasingly competitive market environment in supermarket retailing.⁵³ Decision-making control remained largely centralised, but some enhanced responsibility was given to store managers to undertake locally-based management decision-making on retail marketing matters, as well as in other areas including particularly managing store personnel.⁵⁴ There was a heightened expectation that managers would display awareness of their local competition, and feed this information back to the district and area management teams. Store managers remained restricted to the stocking list for their branch, but could request permission through their district manager to modify their allocation of lines and promotions in response to market trends and competitor activity. Such local information was deemed especially useful as the chain expanded beyond South East England and the English Midlands into new markets in the North of England.⁵⁵

The adoption of new store-based information technology impacted upon the parameters of store managers' decision-making role at this time. At J. Sainsbury the Store Labour Inventory Management (SLIM) system, a portable computerised store-based ordering system, had been rolled out to 79 branches by 1972, and across the store estate within the following two years.⁵⁶ This new system of supply and stock control was developed and trialled by the American consultant Ned Harwell, who J. Sainsbury appointed to provide advice on new methods of technology enabled stock control and merchandising.⁵⁷ At the Sainsbury's Retail Managers Conference of 1974 store managers were informed of the greater responsibility they bore for the stock ordering process as a result of the installation of the SLIM system.⁵⁸ SLIM replaced some of the personal correspondence between clerks in the buying office and store managers, and required enhanced disciplines from store managers to ensure the placing of accurate orders.⁵⁹

The merchandising of stock within the store was managed in a heavily centralised manner during the immediate post-war decades, particularly with regard to window displays.⁶⁰ However, during the latter years of the 1970s enhanced responsibility was given to store managers on matters of store merchandising, albeit within the constraints of centrally issued guidance including store display reports. An article in the company's in-house magazine reporting Sainsbury's Retail Managers Conference of 1978 explained the situation thus: "For some time this crucial function was controlled by the centre with the result that managers were almost discouraged from playing a part in this activity. JS now plans to provide managers with the aids necessary for controlling their own display work, with the central function being one of determining policy, new techniques and the provision of information. This highlights a new relationship between the centre and the store manager."⁶¹ As one contributor to the J. Sainsbury oral history collection explained of his time as a store manager in the 1970s:

"Oh we had layout. We had layouts so you had to have the goods laid out in a set sequence, but how much shelf space you gave to each item was determined locally by your store display report. So if you sold a lot of Line "Y" you could have more of line "Y" on display. And that was down to you as a manager."⁶²

Delegates at the company's retail managers' conferences were reminded that the added responsibility given to store managers did not translate into complete autonomy: "JS managers are being asked to accept more responsibility within carefully defined and understood limits... Responsibility means authority. It means the manager is in charge to a greater extent than ever before. It also means accountability. Just as there is more scope, so there are more chances to foul things up. One way a manager can avoid mistakes is to know where authority ends. When he has a problem, he should work out whether it is something that he can deal with or whether it comes within the district manager's sphere, and if it does call him."⁶³

The existing administrative structure that grouped branches into areas and districts was retained and extended, and enhanced authority was given to area and district managers for the assessment and

control of the branches. This approach was intended to eliminate what had been described as an otherwise potentially ‘dangerous gap’ between centre and branch.⁶⁴ Store managers were expected to be accountable to their District Manager, with the latter reporting to the Area General Manager.⁶⁵ A Directors’ Branch Committee was established with the purpose, among other things, to monitor and support aspects of the decentralisation of control, and to make enhanced branch level performance data available to Area General Managers.⁶⁶

The activities of district managers and their Area General Managers were themselves prescribed by the centre. Consequently there was only limited variation between regions in terms of stores’ operating practices. Area managers were called to a monthly meeting, sometimes attended by the Chairman, at which company views and policies were articulated, and at which the senior management could develop an impression of matters occurring at the store level. As David Clapham, who had been promoted to an Area Manager during the 1980s, recalled:

“And then over lunch you would sit with the Chairman there...and he would ask you how things ... were going.... But also about initiatives that we were taking.... So for an hour once a month he got himself up to date with what the AGMs were thinking. ... And then we would take away messages from him that we could then use to inspire Managers. Clever set-up.”⁶⁷

In summary, as the chain of supermarkets grew during the 1970s and early 1980s store managers and regional and area managers took on elements of enhanced responsibility for aspects of stock ordering and merchandising at the individual store-level. Nonetheless the extent of decentralisation of management decision-making authority with regard to stocking and merchandising the store was very much toward the “Partial and Limited” end of the decentralisation continuum. J. Sainsbury’s approach to management control of decision-making related to these activities remained very largely a centralised one, with instructions relayed through a clear management hierarchy.

4.2 Tesco: Switching to More Centralised Management Control

At first glance approaches to management control of decision-making at Tesco during the study period appear similar to that of J. Sainsbury. Like Sainsbury's, Tesco invested in the development of chain-level capabilities. The central buying team sought economies of scale and scope, providing an authorised list of goods that could be stocked in stores, and a price list intended to be implemented across the chain.⁶⁸ Similarly, as the firm's estate of supermarket and self-service stores expanded so Tesco invested in computerisation at its Head Office, first in 1965 and with subsequent upgrades, in order to enhance analysis of stock movement, financial planning, and to initiate payment to suppliers.⁶⁹ The firm also operated a hierarchically-organised store inspection regime comprising Inspectors, Regional Controllers/Inspectors and Regional Managing Directors.

However, and in marked contrast to the case of J. Sainsbury, at Tesco control and oversight from the centre did not prevent decisions at regional and store management level frequently being at the expense of chain-wide efficiencies. Regional management input had a far more significant impact on Tesco's store operations than at J. Sainsbury, with some regional directors operating 'fiefdoms' within the organisation, as Head Office struggled to exert control and was itself beset by deepening boardroom schisms during the latter 1960s and early 1970s.⁷⁰ This was epitomised by the Tesco chain effectively operating as two separate businesses during the second half of the 1960s, with Tesco (North) operating in a largely autonomous manner from Tesco (South). The acquisitive method of growth of the Tesco chain was significant in this regard, and stood in sharp contrast to that of J. Sainsbury. Tesco acquired a number of retail chains during the 1950s and 1960s that enabled the business to promote its store estate and market coverage. However, as well as store estates and systems of variable quality each brought the challenge of integrating differing corporate cultures. Some acquisitions such as that of Victor Value in 1968, with 217 stores Tesco's most significant acquisition, brought entrenched management problems of their own placing further pressure on Tesco's own inadequate systems.⁷¹

At Tesco store managers retained significant *de-facto* decision-making authority over elements of stocking and merchandising the store, which led to perceptions of inconsistency of store image across the chain.⁷² Managers made up orders from a burgeoning authorised stock list supplied by the buying

office. This list reflected the predominance of the firm's buying function over its retail function, with stock frequently being pushed through the system regardless of the needs of the store.⁷³ Yet store managers also had an "intense" direct relationship with suppliers' sales representatives who visited the stores directly and sought to influence stocking and merchandising decisions.⁷⁴ Dealing with suppliers' representatives was a significant part of the store managers' weekly tasks and led to considerable amounts of individual deal making.⁷⁵ If local suppliers' representatives offered generous promotional terms it provided an opportunity to store managers to improve their stock position, a critical benchmark for the assessment of store manager performance at Tesco;⁷⁶ although the motivations for local deal making could also be more about personal gain.⁷⁷ Such local deals could negatively impact chain-wide promotional strategies.⁷⁸ Even the centrally issued price list was not immune from store managers' interventions.⁷⁹ In Powell's analysis of this period of the company's history, a study based largely upon the recollections of senior management, one board member reflects: "Tesco was still trading with primitive systems at the launch of Check-out [1977]". Most store managers made "their own little decisions, careless of their impact on the company as a whole", and the firm "... had inadequate stock control systems throughout the business. Until Check-out, managers really looked after themselves, and pretty well stocked what they liked."⁸⁰

The latitude exercised by store managers in part reflected the organisation of Tesco's distribution function, which saw its own distribution infrastructure account for as little as twenty per cent of the goods sold at its stores. As noted above, this contrasted with the case of J. Sainsbury in which some seventy per cent of goods were supplied through the company's own depots during the early years of the 1970s, and suppliers' sales representative usually dealt directly with Head Office buyers, not store managers. At Tesco most deliveries were direct to store, both through manufacturers' sales representatives and through supplier-appointed carriers.⁸¹ Combined with limited monitoring and control systems this provided an opportunity for store manager interventions at the expense of chain-wide efficiency and marketing discipline.⁸²

Store managers were also actively engaged with the merchandising of their store. Similar to the situation at Sainsbury's, many store managers were promoted from store-based trades roles and thus

had considerable on-the-job experience with this aspect of retailing. Managers from the 1970s reflected on their ability to dictate much of the look of their stores in the absence of strict enforcement of centrally-issued space planning guides.⁸³

Operation Checkout, launched by Tesco in 1977, witnessed the dropping of trading stamps, which had become a main element of the firm's promotional strategy, and a wide price-cutting campaign to draw customer attention. Its aftermath exposed the limitations of the firm's existing approach to supply chain management, and particularly its reliance on direct to store delivery. Such an approach led to *de facto* decentralisation of considerable authority to store and regional management.⁸⁴ As Smith and Sparks explain in their analysis of Tesco's supply chain management, to begin to realise the change of strategy away from 'pile it high, sell it cheap' signified by Operation Checkout, 'modernisers' among Tesco's senior management considered it vital to centralise control so as to enhance product ranging decisions, provide better control for the quality of products entering the stores, and to promote more uniform pricing across the chain.⁸⁵ Consequently the firm began to adopt a more rigorously centralised approach to management decision-making control, taking away significant elements of regional and store managers' decision-making authority.

Dennis Tuffin, Director of Tesco Stores and head of Tesco's retail operations in the 1980s observed, "In effect, Cheshunt [the Head Office] took over the whole operational role of the company and made it as simple as it could. It provided our people with clear directions on what to display, what to sell, on store layouts, and range rationalisation, everything. Before that it had all been down to store level, but after Check-out the centre provided its managers with the service they needed to run their own stores properly."⁸⁶ A strategy committee was formed and sought to reduce the quantity of lines authorised by the buying office and to modify the push approach to stocking of stores. Attempts were made to better segment the store estate and to plan what lines stores should carry.⁸⁷ Suppliers' representatives no longer dealt with individual store managers but instead with Head Office. Further investment in information technology supported the strategy to limit the scope for decentralised decision-making, with store manager initiated variations to stock orders generated by new computerised order systems having to be arranged by agreement with Head Office.⁸⁸ Additional personnel and systems were

deployed at Head Office to interpret the data on sales and profitability, an important investment in infrastructure not matched by some of Tesco's competitors.⁸⁹ Tesco's senior management from the time of Operation Checkout reflect that the enhanced centralisation of decision-making, particularly of stock ordering, was welcomed by store managers and enabled them to better look after their customers' needs in store.⁹⁰ Store managers' reflections on the implications of the changes post Operation Checkout are perhaps rather more ambivalent, particularly when centralised control constrained what they considered legitimate creativity and 'entrepreneurialism.'⁹¹

The company sought to promote how the greater control afforded by enhanced centralised buying and distribution could enable a more effective marketing function aimed at providing a consistent national offer, yet one adjusted to take account of specific local demands. In 1985 Tesco would proclaim, "All Tesco stores are analysed according to their size, layout and location to optimise the product portfolio. Shelf space allocation, stock replenishment, product development and productivity are carefully controlled providing the basis of an integrated management information system."⁹²

In summary, following Operation Checkout the senior management team at Tesco sought to change the means through which localised demand and supply opportunities were met, away from poorly integrated decentralised regional and branch level decision-making, sometimes at the expense of wider chain level efficiencies, toward one in which such opportunities were realised where possible through a more centralised approach to decision-making control.

5. Changing Approaches to Management Decision-Making Control: Exploring Lines for Further Enquiry.

Changes in retailers' approaches to management decision-making control are explained by a complex mix of inter-related external environmental and internal, firm-specific factors. This penultimate part of the paper concentrates upon two different factors to explain the changes identified in relation to the case studies; key changes in the competitive environment of grocery retailing during the 1970s, and the influence of corporate cultures in shaping retailers' responses to these changes. It is not the

purpose here to present an extensive analysis of each, but rather to elaborate upon those factors that offer the most productive lines for further enquiry.

5.1 The Changing Retail Grocery Market

In the 1950s and early 1960s many consumers shopped for food within their local area. However, increasing car ownership levels enabled more shoppers to expand the radius of their food shopping trips during the ensuing decade, thus increasing their exposure to a wider variety of supermarkets and their differing propositions.⁹³ Furthermore, the intensification of supermarket competition and inflationary pressures on consumers during the 1970s combined to enhance price sensitivity, and supermarkets' performance was more widely reported in the business press and popular media. Many firms reacted by reconceiving retail competition as being national rather than local, and they identified themselves as engaging in firm-level (chain) rather than store-level competition, focusing on the development of "market basket" pricing policies.⁹⁴ They sought to establish a more cohesive chain image including through implementing chain-wide marketing and promotional strategies. As such, changing demand-side conditions encouraged the adoption of a stronger chain oriented approach to decision making, diminishing the effectiveness of full and complete decentralisation of decision-making authority.

Transformation in supply chain management practices is also significant to our understanding of the increasing adoption of centralised management control of distribution in the grocery sector. Against a backdrop of a considerable slowdown in retail sales volume in the first half or so of the 1970s and an escalation of the costs of doing business, retailers were also forced to give greater attention to the management and costs of the distribution function.⁹⁵ In one estimate distribution costs were reported to account for 13% of multiple retailers' total store operating costs at the start of the 1970s.⁹⁶

Contrasting philosophies existed among multiple grocers as to the economic benefits of centralised distribution versus direct to store deliveries during the early 1970s.⁹⁷ Firms like Sainsbury's and Safeway, then a UK subsidiary of the American Safeway Inc., operated highly centralised

distribution, controlling a higher proportion of deliveries to branches in contrast to others including Fine Fare and Tesco. Yet a follow-up study on behalf of the Institute of Grocery Distribution in the mid-1980s would reveal a transformation of the situation that had resulted from the major multiples increasing their exercise of control over the supply chain.⁹⁸ It was estimated that in the mid-1960s 70% of distribution in the country was run by suppliers' own account operations. At the end of the study period in the mid-1980s retailers controlled as much as 80% of the overall movement of goods to store.⁹⁹

Tesco represents an important example of the move toward centralisation of control of the distribution function, and the resulting constraints placed on individual store manager's decision-making autonomy. Tesco invested substantially in upgrading its central buying and logistics capabilities and systems,¹⁰⁰ and extended its direct control of replenishment into more complex categories, such as frozen foods, that were hitherto more associated with direct to store delivery.¹⁰¹ Investment in new computer systems at Head Office and subsequently in stores was intended to control costs and to enhance information flows to support decision-making.¹⁰² Tesco's transformation of the management of its distribution system resulted in more efficient branch stock replenishment, significantly reducing the firm's stock days and enabling it to better control the range and quality of its offer.¹⁰³

5.2 Corporate Culture and Approaches to Decision-Making

Whilst varying market conditions provide some explanation for changes in management control of decision-making it is also clear that we need to look to internal firm dynamics. Cultural interpretations of organisational change offer potential in this context.¹⁰⁴ Notable for its persistence, and hence resistance to change,¹⁰⁵ Schwartz and Davis define corporate culture as "a pattern of beliefs and expectations shared by the organization's members. These beliefs and expectations produce norms that powerfully shape the behavior of individuals and groups in the organization."¹⁰⁶ As a starting point the discussion below focuses upon how the founders and senior managers of J. Sainsbury and Tesco perceived and influenced corporate culture. This is not to deny that organisations often have

multiple, complementary or conflicting cultures that may variously support or act against its interests as they are perceived by senior management. Indeed this point is illustrated in part by some of the empirical case material presented above. Nor does it suggest that either business was disengaged from the increasingly rich external flows of information about supermarket operations and their management. Such information flows took on an increasingly international dimension and were of some importance in guiding the development of British supermarket retailing.¹⁰⁷ For example, John Davan Sainsbury fostered close ties in the United States including with members of the Supermarket Institute of America, identifying the benefits these ties provided for the development of the firm's management processes, particularly around the integration of new technologies.¹⁰⁸ Experience of supermarket trading in international markets in which the format was more mature represented no panacea to the challenges that might be encountered in the British market however, as the example of the Fine Fare chain in the introduction reveals.¹⁰⁹

Available evidence suggests that differing organisational cultures at Tesco and J. Sainsbury were influenced by differing perspectives between the firms as to the desired locus of management decision-making. At J. Sainsbury senior management promoted a culture of centralisation of authority and control articulated through a clear management hierarchy, with detailed control emanating from a succession of chairmen and directors appointed from within the founding family.¹¹⁰ For example, David Clapham recalled of John Davan Sainsbury's chairmanship of the firm: "I think the – the style throughout the whole company was set by JD. So the over-riding power and cultural development was the family and JD. No doubt about that. ...the umbrella was the traditions of the company and the way JD wanted it."¹¹¹ The centralised and hierarchical approach to all management decision-making informed the approach to managing the stores. Delegates at the firm's store managers' conference of 1978 were instructed that the nature of store retail management still very much revolved around the effective carrying out of central policies, procedures and instructions. "A JS manager has many resources at his disposal and no shortage of directives from the centre telling him what to do and how to do it. Perhaps he gets too many directives when guidance would be more desirable, but many of the

most successful retail businesses have been built up, and still owe their current prosperity, to a high degree of centralised direction.”¹¹²

The situation at Tesco reveals the significant influence of its founder, Jack Cohen, on the corporate culture of the business. But in this case it resulted in a very different outcome, until at least the second half of the 1970s. Cohen was Chairman of the board throughout the early post-war decades until being succeeded and being made Life President in 1970. He had a strong influence on the culture of the firm, and perhaps more particularly at lower management levels. Powell remarked of the period up to 1979, “...the management structure still bore the impress of Jack Cohen. Entrenched at the branch level, and reified by tradition, his penchant for bottom-up management had once served well enough...”¹¹³ Mike Darnell who joined the Board in 1975 reflected: “Most managers had a cave-age mentality. They had their own little cave where they could tuck themselves away and make their own little decisions, careless of their impact on the company as a whole.”¹¹⁴ For Ian (now Lord) MacLaurin, who first joined the board in 1971, “To rationalise it was essential to centralise, a notion that was totally foreign to most of our managers, who had modelled themselves on Jack Cohen. ...they’d learned their business in a different school, without any discipline.”¹¹⁵

Cohen had sought to maintain his and the family’s control over Tesco, but others in senior management increasingly questioned and challenged the way he continued to run the business; a way that they considered bore similarities to his days as a market trader and with practices that they thought outdated and inappropriate for a major supermarket retailer.¹¹⁶ Only after the success of Operation Checkout was the challenge that Cohen’s approach represented to the agenda of the modernisers finally seen off.¹¹⁷

7. Conclusion.

By focusing on issues of management decision-making authority and responsibility the paper contributes to knowledge of the historical development of supermarket retailing in Britain. As such it

complements earlier analyses that focused particularly on spatial and structural elements of development, and on the supermarkets' impact in changing consumer culture.

In particular, it informs understanding of differing approaches to management decision-making related to the stocking and merchandising of the store, both between firms and over time. First, it identifies competing approaches to the control of management decision-making on these matters. Some supermarket retailers adopted a strictly centralised control of management decision-making. Store managers in large part executed decisions issued from the centre, with little authority or opportunity to make local adaptations. Others operated in a manner that resulted in a more decentralised approach to management decision-making on these matters, with store managers exercising authority and responsibility at the local level. This could sometimes be at the expense of chain wide efficiencies. Variations in management decision-making control reflected the contrasting positions between firms as to how best to manage the operations of the new supermarket format, and resulted in investment in the development of differing capabilities.

Using detailed historical analysis to understand how and why supermarket chains operating similar business models differed in their approach to the management of decision-making control can help to build upon our understanding of the patterns of change identified in retrospective analyses. It can help to remind us of the existence of alternatives, both potential and those that are realised, such as those addressed here in the comparative analysis of approaches to management decision-making control between J. Sainsbury and Tesco. It can also help us to explore the chronologies of choice and contest remarked upon above in the discussion of Operation Checkout and reactions to this. As such it can help us to better evaluate the explanatory power of process in strategy formulation.¹¹⁸

Toward the end of the study period a growing uniformity of approach to management control had begun to appear across the grocery sector in Britain. This favoured a chain-oriented approach to decision-making based upon only 'Partial and Limited' decentralisation of management authority to the store level. In other words, a new sector recipe was identified.¹¹⁹ Changes in the market environment are clearly very relevant in explaining the growing uniformity; not least with regard to

changing consumer attitudes and behaviours on the demand-side, and the enhanced availability of information and communication technologies on the supply-side. Also, as more firms adopted an increasingly centralised approach to decision-making so others felt compelled to follow. Yet, the particular characteristics of firms' responses can only be more fully understood if complemented by an exploration of the culture of the firm. Whilst such explorations present clear methodological challenges they offer a potentially rich dividend in this context.

The importance of adopting an appropriate degree of decentralisation of decision-making control in retailing remains, and the discussion developed here is relevant to analyses of contemporary retailing and distribution.¹²⁰ This is particularly so in exploring retailers' internationalisation into emerging retail economies in which they commonly encounter markets that are fragmented and heterogeneous. Whilst many large-scale food retailers have sought to essentially replicate their approach from the home market when internationalising, this market fragmentation and heterogeneity has provided additional challenges. In the case of China, for example, internationalising retailers found these conditions to be especially pronounced in the fresh food categories with implications for management control and decision-making.¹²¹

In relation to further business history research on this theme, there is both a need and an opportunity to more fully synthesise contemporary debates on the evolving nature of retail work with historical analyses of change in the sector. Some management and organisational studies theorists have suggested that the falling costs of communication associated with information technology have resulted in more empowerment of decentralised management in recent decades.¹²² This study does not point to any significant empowering effect for store managers of the introduction of the first wave of store-based information technologies. Rather its findings are more akin to those of studies of the nature of work in contemporary British supermarket retailing, the results of which suggest supermarket managers' work to be heavily prescribed by respective functional divisions at Head Office, and to be driven in large measure by senior management's expectations of compliance.¹²³

Finally, in relation to further historical analysis of management decision-making control in the retail sector retail co-operatives and voluntary group chains warrant more detailed research. Their differing norms of organisation and governance provide another dimension to management decision-making control. As Wilson et al. observe in relation to the co-operative movement, 'the ties and tensions between national and local incentives run throughout the history of the British co-operative movement and its central institutions.'¹²⁴ Some work has begun to explore the implications of this for the historical planning and development of supermarket retailing by co-operative societies, but there is scope for wider analysis.¹²⁵ Similarly, voluntary groups represent a potentially rewarding case for study. Their central offices were often quick to develop and promote management systems and technologies designed to enhance chain-like efficiencies and consistencies. However, in wholesaler-owned groups these services were neither always accepted nor fully adopted by retail members. Further study of these differing business models will help understanding of the complexity of the retail sector, and also its rich potential to contribute to debate in business history on themes of strategy, structure and governance.

Figure 1. Decision-Making Approach and Chain-Level Capability Development of Expanding Chains in Heterogeneous Market Conditions¹²⁶

Source: adapted from Goldman and Alexander, 2007

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Notes

¹ For examples of studies exploring the managerial dimension see: Alexander, 'Format Development and Retail Change'; Shaw and Alexander, 'Interlocking Directorates and the Knowledge Transfer of Supermarket Retail Techniques'

² See for example, Bowlby 'Supermarket Futures'; Bowlby, *Carried Away*; Shaw, Curth and Alexander, 'Selling Self-Service'; Du Gay, 'Self-Service'; Alexander and Shaw, 'Promoting Retail Innovation'; Humphrey, *Shelf Life*

³ See Gunnarsson, 'Advise or Control'

⁴ Cole, 'Where the Retail Revolution Stopped,' 82.

⁵ Dawson, 'Developing Store Formats,' p26 [my emphasis]. See also Burt, 'Trends and Management Issues in European Retailing'

⁶ Burt and Sparks, 'Power and Competition in the UK Retail Grocery Market,' 242

⁷ Jones, 'The Spread of Article Numbering'

⁸ Raff, 'How to do Things with Time', 437. See Davies 'Applying Evolutionary Models' for a discussion in relation to the retail sector.

⁹ Alexander et al., 'Promoting Retail Innovation'

¹⁰ Ogbonna and Harris, 'Organizational Culture'; Abrahamson and Fombrun, 'Macrocultures: Determinants and Consequences'

¹¹ Akehurst, "'Checkout": The Analysis of Oligopolistic Behaviour'

¹² Chandler, *Strategy and Structure*; Ulrich and Wieland, *Organization Design and Theory*. See also Burt, 'Trends and Management Issues in European Retailing'; Malone, 'Is Empowerment Just a Fad?'; Chang and Harrington, 'Centralization vs. Decentralization'; Chang and Harrington, 'Multimarket Competition'

¹³ Campbell and Frei, 'Market Heterogeneity and Local Capacity Decision in Services'; Anand and Mendelson, 'Information and Organization for Horizontal Multimarket Coordination'; Malone, 'Is Empowerment Just a Fad?'

¹⁴ Chang and Harrington, 'Centralization vs. Decentralization'; Chang and Harrington, 'Multimarket Competition'

¹⁵ Ibid.

¹⁶ Chandler, *Strategy and Structure*, 225-282.

¹⁷ Raff and Temin, 'Sears, Roebuck in the Twentieth Century', 231.

¹⁸ Worthy, *Shaping an American Institution*, 96, 97. .

¹⁹ Raff and Temin, 'Sears, Roebuck in the Twentieth Century'; Wood, 'Organisational Restructuring, Knowledge and Spatial Scale'

²⁰ Raff and Temin, 'Sears, Roebuck in the Twentieth Century'

²¹ Ibid.

²² Katz, *The Big Store*; Raff and Temin, 'Sears, Roebuck in the Twentieth Century'

²³ Wood 'Organisational Restructuring, Knowledge and Spatial Scale', 13, 14.

²⁴ Wood 'Organisational Restructuring, Knowledge and Spatial Scale'; Wood, 'Organisational Rigidities and Marketing Theory'

²⁵ Examples exploring the contemporary retail environment include Currah and Wrigley, 'Networks of Organizational Learning'; Raff, 'Superstores and the Evolution of Firm Capabilities'

²⁶ Raff, 'Superstores and the Evolution of Firm Capabilities,' 1048-9.

²⁷ Amin and Cohendet, 'Learning and Adaptation in Decentralised Business Networks,' 97

²⁸ Chuang and Baum, 'It's All in the Name: Failure-Induced Learning by Multiunit Chains,' 33. See also Darr, Argote and Epple, 'The Acquisition, Transfer and Depreciation of Knowledge; Ingram and Baum, 'Chain Affiliation and the Failure of Manhattan Hotels'

²⁹ Yin and Zajac, 'The Strategy/Governance Structure Fit Relationship,' 370.

³⁰ For a broader discussion see Toms and Wright, 'Corporate Governance, Strategy and Structure'; Toms and Wilson, 'Scale, Scope and Accountability'; Lloyd-Jones and Lewis, "'A New Paradigm of British Business History'": Toms and Wilson, 'Scale, Scope and Accountability: A Response'

³¹ Hernández-Espallardo, 'Interfirm Strategic Integration in Retailer Buying Groups'; Bradach, *Franchise Organizations*; Wilson et al., *Building Co-operation*, particularly 13-17, 389-397; Hallsworth and Bell, 'Retail Change and the United Kingdom Co-operative Movement'

³² Malone, 'Is Empowerment Just a Fad?'; Ulrich and Wieland, *Organization Design and Theory*

³³ Teece, 'Firm Organization, Industrial Structure, and Technological Innovation', 200; see also Malone, 'Is Empowerment Just a Fad?; Amin and Cohendet, 'Learning and Adaptation in Decentralised Business Networks,'

³⁴ Chang and Harrington, 'Centralization vs. Decentralization'

³⁵ It should be noted that this latter approach might not be possible in certain market conditions.

³⁶ Thomas, 'Leadership and Change in British Retailing'

³⁷ Rowlinson and Procter, 'Organizational Culture and Business History'; Delahaye et al., 'The Genre of Corporate History'; Ponzoni and Boersma, 'Writing History for Business':

³⁸ The long-established trade magazine *The Grocer* (published by William Reed), and the Institute of Grocery Distribution's series of publications on the British grocery market from the mid-1970s onward proved valuable for the study in this regard.

³⁹ Further details can be found at:

<http://www.bl.uk/reshelp/findhelprestype/sound/ohist/ohnls/nlstesco/tesco.html> [accessed 3 July 2014].

⁴⁰ Further details of The Sainsbury Archive can be found at:

<http://archive.museumoflondon.org.uk/SainsburyArchive/> [accessed 31 October 2014]; see also Perks, 'Corporations Are People Too!'; Email correspondence from Clare Wood, archivist for The Sainsbury Archive, November, 2014.

⁴¹ For some discussion of oral history in relation business history and marketing history see Perks, 'Corporations Are People Too!'; Perks 'The Roots of Oral History'; Ryant 'Oral History and Business History'; Davies, 'Voices passed'.

⁴² Perks, 'Corporations Are People Too!', 46.

⁴³ I am indebted to a number of interviewees. Mr Joe Barnes (formerly of J. Sainsbury) and the late Mr Donald Garvin Harris, OBE (formerly of Tesco) provided particularly important contributions in relation to the matters discussed in this paper.

⁴⁴ Emerson, *Sainsbury's. The Record Years*, 24

⁴⁵ Heller, 'The Self Service of Sainsbury's'

⁴⁶ J. Sainsbury Archive (hereafter SA), SA/CO/4/4/1/1, Speeches by Lord Sainsbury 1967-1991, 'Meeting of Senior Executives and Senior Scientists 31 Oct 1967, Vice Chairman's Address'; Williams, *Best Butter in the World*, 140-4; Boswell, *JS 100. The Story of Sainsbury's*

⁴⁷ SA/CO/4/4/2/1 Senior Managers Meetings Interim Speeches 1978-1983, 'The Chairman's Speech at Senior Manager's Conference, Brighton, May 1979'

⁴⁸ Williams, *Best Butter in the World*, 144.

⁴⁹ On the relationship between buying and design functions in the context of centralised management control and decision making in own label at Sainsbury's see King, 'Sainsbury's own label'. On the implications of own label for the distribution function more generally see Sparks, 'Delivering quality'

⁵⁰ SA/BRA/3/1/1/16, 'Introducing the Computer to JS.'; SA/BRA4/2/37, 'Stock Control Daily Routine'

⁵¹ Heller, 'The Self-Service of Sainsbury's', 14.

⁵² Emerson, *Sainsbury's. The Record Years*, 116.

⁵³ SA/CO/12/2/1, Managers' conferences 1967-1972, Managers' conference January 1972, 'Notes on Mr JD's Opening Speech.'

⁵⁴ J. Sainsbury, *Conference Report Brighton '74; Conference Journal, Tomorrow's World, 1977; Conference Journal, Brighton '78. The Future in Store*

⁵⁵ Personal interview with Mr Joe Barnes, 28 May 2012.

⁵⁶ SA/CO/12/2/1, Managers' conferences 1967-1972, Managers' conference January 1972, 'Notes on Mr JD's Opening Speech.'; J. Sainsbury, 'A New Ordering System for the Branches'

⁵⁷ Emerson, *Sainsbury's. The Record Years*, 98.

⁵⁸ J. Sainsbury, 'It's Up To You'

⁵⁹ Personal interview with Mr Joe Barnes, 28 May 2012.

⁶⁰ SA/EMP/10/3, Transcript of Interview with George Ridgway, 1993.

⁶¹ J. Sainsbury, 'Your Name Above the Shop Door', 4.

⁶² SA/EMP/10/3, Transcript of Interview with David Clapham, 1999, 31.

⁶³ J. Sainsbury, 'Your Name Above the Shop Door', 5.

⁶⁴ Heller, 'The Self Service of Sainsbury's', 14.

⁶⁵ SA/EMP/4/2, 'Letter to All Supermarket Managers from JDS/Mk', 5 Oct 1970; SA/CO/12/8/1, Retail Conference 1976 (Eastbourne), MR JD's Speech; SA/CO/12/5/1, Branch managers' conference 1978-80, Chairman's Summing Up of the Conference (78)

⁶⁶ SA/CO/3/5/3/1, Directors' Branch Committee, Minutes of the DBC Meeting, 30 May 1974

⁶⁷ SA/EMP/10/3, Transcript of Interview with David Clapham, 1999, 37.

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- ⁶⁸ Powell, *Counter Revolution*; Tesco. An Oral History (hereafter TAOH) David Malpas interview, TAOH, C1087/21/5a; Kevin Doherty interview, TAOH, 1087/10/9a
- ⁶⁹ Corina, *Pile it High, Sell it Cheap*; ICL, 'Housewives win!'
- ⁷⁰ Powell, *Counter Revolution*, 130 and 132; Ryle, *The Making of Tesco*, 82; Sparks, 'TESCO: Every Little Helps'.
- ⁷¹ Powell, *Counter Revolution*, 122-7
- ⁷² Joe Doody interview, TAOH, C1087/16/9a
- ⁷³ David Malpas interview, TAOH, C1087/21/4b, C1087/21/5b; Ryle, *The Making of Tesco*, 85.
- ⁷⁴ Mike Walastyan interview, TAOH, C1087/25/6b
- ⁷⁵ David Malpas interview, TAOH, C1087/21/5b; Joe Doody interview TAOH, C1087/16/7a; Paul Nally interview TAOH, C1087/19/3b
- ⁷⁶ Lord MacLaurin interview, TAOH, C1087/22/6a
- ⁷⁷ Ryle, *The Making of Tesco*, 98
- ⁷⁸ Lord MacLaurin interview, TAOH, C1087/22/6a
- ⁷⁹ Powell, *Counter Revolution*, 153
- ⁸⁰ Powell, *Counter Revolution*, 183, 186; see also MacLaurin, *Tiger by the Tail*
- ⁸¹ Kirkwood, 'How Tesco Manages the Distribution Function'; Sparks, 'The Changing Structure of Distribution'
- ⁸² David Malpas interview, TAOH, C1087/21/5a
- ⁸³ Joe Doody interview, TAOH, C1087/16/7a; Paul Nally interview, TAOH, C1087/19/3a; Mike Walastyan interview, TAOH, C1087/25/7a)
- ⁸⁴ Akehurst, "'Checkout'"; Powell, *Counter Revolution*
- ⁸⁵ Smith and Sparks, 'Tesco's Supply Chain Management', 146-8
- ⁸⁶ Tuffin cited in Powell, *Counter Revolution*, 191
- ⁸⁷ David Malpas interview, TAOH, C1087/21/5a, C1087/21/8a
- ⁸⁸ Carter, *Retailer Distribution Profiles*, 73
- ⁸⁹ See for example Preston, *Improving Retail Decision-Making*
- ⁹⁰ David Malpas interview, TAOH, C1087/21/8a; Lord MacLaurin interview, TAOH, C1087/22/6a
- ⁹¹ Joe Doody interview, TAOH, C1087/16/11a; Mike Walastyan interview, TAOH, C1087/25/7a
- ⁹² Tesco, *Company Review*
- ⁹³ Southern Television. 'Southern Shopper Revisited', 4; BMRB, 'Shopping in the Seventies', 12

⁹⁴ Akehurst, “Checkout”

⁹⁵ Sparks, ‘Delivering quality’; Thomas, ‘Leadership and Change in British Retailing’

⁹⁶ Birds Eye Foods, *Case for Profit*

⁹⁷ Thorpe et. al., *Channels and Costs of Grocery Distribution*

⁹⁸ Carter, *Retailer Distribution Profile*

⁹⁹ Ibid.

¹⁰⁰ Smith and Sparks, ‘Tesco’s Supply Chain Management’; Fernie and Sparks, ‘Retail Logistics’

¹⁰¹ Collins, ‘The UK Grocery Supply Chain’

¹⁰² Tesco Stores (Holdings), *Annual Report & Accounts*, 1978, 1979, 1981, 1983.

¹⁰³ Smith and Sparks, ‘Tesco’s Supply Chain Management’

¹⁰⁴ For a review see Demers, *Organizational Change Theories*; Clark and Rowlinson, ‘The Treatment of History in Organisation Studies’; Lipartito, ‘Culture and the Practice of Business History’; Westall, ‘British Business History and the Culture of business’. This is not to overlook the significant challenges of the dialogue between business history and organisational studies. See, for example, Clark and Rowlinson, ‘The Treatment of History in Organisation Studies’; Rowlinson and Procter, ‘Organizational Culture and Business History’

¹⁰⁵ Demers, *Organizational Change Theories*, 75.

¹⁰⁶ Schwartz and Davis, ‘Matching Corporate Culture and Business Strategy’, 33.

¹⁰⁷ Bowlby, *Carried Away*; Shaw and Alexander, ‘Interlocking Directorates and the Knowledge Transfer of Supermarket Retail Techniques’.

¹⁰⁸ Emerson, *Sainsbury’s. The Record Years*, 96-8. See, for example, J. Sainsbury, ‘Electronic Cash Registers’

¹⁰⁹ Fine Fare had brought in Canadian managers to help oversee its British supermarket operation. See, Davies, *Bread Men*, 111-114; Shaw and Alexander, ‘Interlocking Directorates and the Knowledge Transfer of Supermarket Retail Techniques’

¹¹⁰ Emerson, *Sainsbury’s. The Record Years*, 22, 23, 95.

¹¹¹ SA/EMP/10/3, Transcript of Interview with David Clapham, 1999, 38.

¹¹² J. Sainsbury, ‘Your Name Above the Shop Door’, 4

¹¹³ Powell, *Counter Revolution*, 183

¹¹⁴ Ibid.

¹¹⁵ Powell, *Counter Revolution*, 191; see also MacLaurin, *Tiger by the Tail*

¹¹⁶ Powell, *Counter Revolution*; Sparks, 'TESCO: Every Little Helps'

¹¹⁷ I am grateful to one of the referees for their assistance in clarifying this matter and its importance.

¹¹⁸ Farjoun, 'Towards an Organic Perspective'; Kipping and Üsdiken, 'Business History and Management Studies'; Raff, 'How to do Things with Time'

¹¹⁹ This is not to suggest complete uniformity of approach among retailers operating supermarket chains. Moreover, superstore operations brought new challenges and more established superstore operators like Asda displayed a very different approach. For a discussion see Beer and Weber 'Asda'

¹²⁰ See for example Stalk, Evans and Shulman 'Competing on Capabilities'; Mierdorf, Mantrala and Krafft 'Retailing in the Global World'; Lal, Knoop and Tarsis. 'Best Buy Co Inc.: Customer-Centricity'

¹²¹ Goldman, 'The Transfer of Retail Formats'; Hu et al., 'The Emergence of Supermarkets'

¹²² Malone, 'Is Empowerment Just a Fad?'

¹²³ Grugulis, "'No Place to Hide'

¹²⁴ Wilson et al., *Building Co-operation*, 15

¹²⁵ For example Alexander, 'Format Development and Retail Change'

¹²⁶ Figure 1 assumes that chains pursuing centralised and decentralised approaches to decision-making display a uniform rate of growth over time.