

August 2021

A Complex Communication Problem at Lidl

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Module: Problem Solving and Decision Making

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Problem Definition

The Organization

Lidl is a supermarket brand originally from Germany established in the UK since 1994 (Lidl, 2019). It now has over 850 stores and 25,000 employees in GB (ibid). This supermarket sells products mainly from its own brand, or brands that fall under their umbrella. The company's vision is to "enhance the lives of customers, by providing quality products at market leading value, whilst ensuring that customer satisfaction is at the heart of everything" (Lidl, 2021a). It is also noteworthy that part of Lidl's mission is to "achieve long term success by investing in the recruitment, training and development of our people" (ibid) – which showcases that the care for employees should be in the foundation of the company.

Lidl has several different departments. In store there are the managerial department, the cleaning department, and the customer assistants (Lidl, 2021c). In the warehouse there is also a managerial department, a clerk department and warehouse operatives (Lidl, 2021d). Lastly in head office there are many departments such as accounting, customer service, Human Resources (HR), and marketing (Lidl, 2021b).

From own observation it is possible to conclude that Lidl is facing a complex problem of communication: in stores between managers, and between managers and employees; and additionally, between the managers in store and the HR department in head office.

Dibb et al. (2019) defines stakeholders as "constituents who have a 'stake', or claim, in some aspect of a company's products, operations, markets, industry and outcomes". It is then possible to conclude that Lidl's key stakeholders are its customers, employees, suppliers, owners, and investors.

Customers

This complex problem may affect customers trust in a brand (Lin and Lee, 2012). Laforet (2007) states that a customer's trust in a brand is done through communication. Therefore if all managers communicate the brand's message differently then it won't be possible to build a trustworthy bond.

Employees

Without a clear message of what to do employees become dissatisfied with their job and productivity plummets (Pepe, 2010). This will consequently lead to an unbalanced work life and possibly mental health issues (Cooper et al., 1989).

Suppliers

Lidl will always continue to place orders of items to sell in their stores. However, if managers don't communicate clearly there are over produce order that then is wasted away creating a negative impact on the company's profitability which consequently might affect how much Lidl can order from its suppliers.

Owners

The owners are in danger of not keeping Lidl's vision and mission true if the message in the stores is not coherent.

Investors

Ultimately investors will not want to invest in a company that doesn't communicate clearly and effectively (Groening and Kanuri, 2016). How can they trust that Lidl will be able to return their investment if they can't even communicate a coherent message in different stores?

The Complex Problem

Lidl is facing a complex communication problem. This is observable when there isn't: a coherent message coming from different managers; consistency of management style in store; and a consistency of how different managers and employees are treated.

Moreover, this complex problem is not good for the work environment, and it is creating interpersonal challenges between management and subordinates. Some of the reasons for these challenges are attributed to attitude problems, ethical problems, and discrimination.

Therefore, the communication between HR & Management in store is not the most efficient. Furthermore, it is possible to observe a snowball of miscommunication that is being created unconsciously - there are no meetings between managers and no regular brief from manager to employees.

Additionally, unhappy employees create unhappy customers. Lidl's started to get a bad reputation due to its poor customer service, in comparison to other supermarkets. But unfortunately, this problem can't be solved by guessing what customers need. The issue of employee support needs to be addressed first, and by doing so, managers won't spend as much time and money in matters that won't fix the problem of unsatisfied costumers.

Evaluation of the current situation

SWOT Analysis

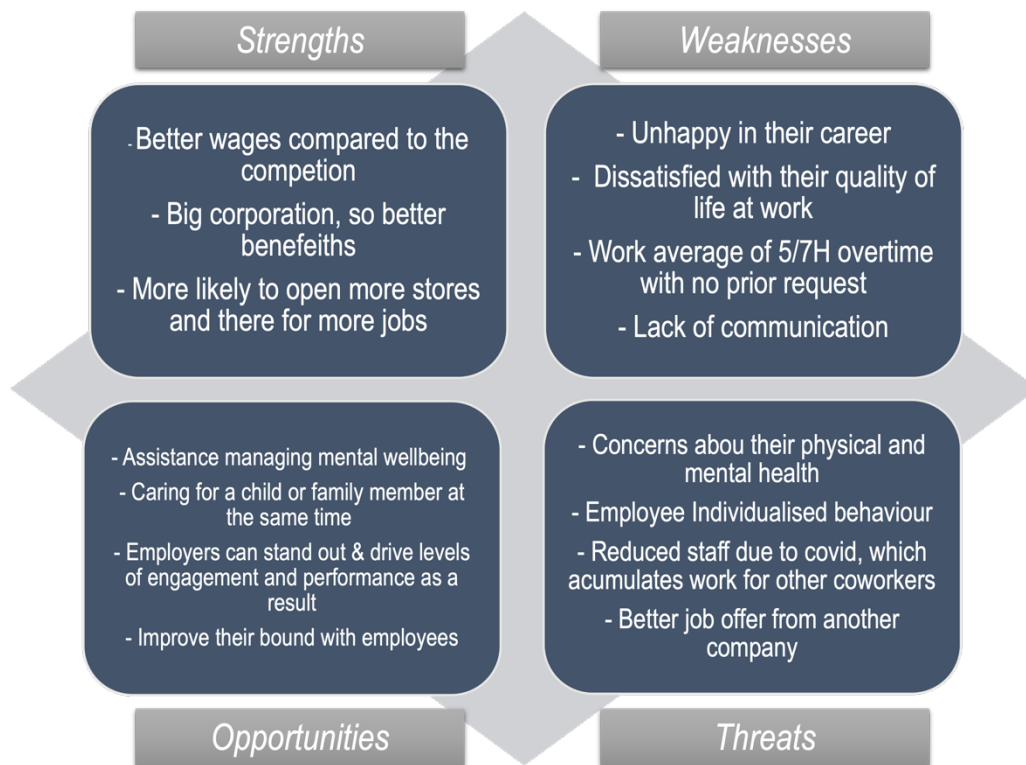


Figure 1 - Swot Analysis

Cause and Effect Diagram

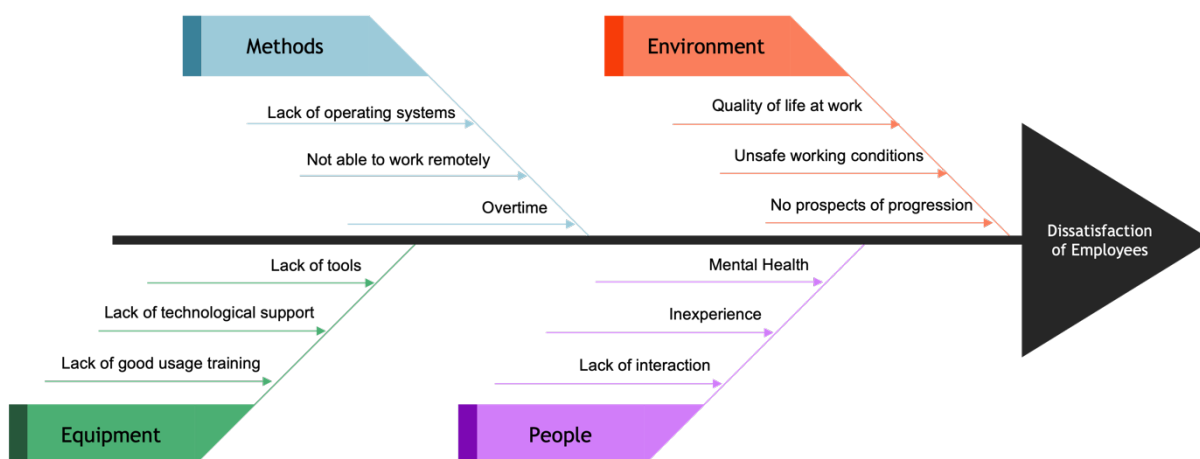


Figure 2 - Fishbone Analysis

PESTEL Analysis

Political Factors

1. **Brexit:** By voting to leave the European Union, the UK does not benefit from the same trade deals than the rest of Europe. This enhances trade barriers, making it harder to sell or acquire goods (Steinberg, 2019)
2. **Tax policies:** Transportation of goods tax policies need to be monitored. At the moment the government taxes 7% on transportation (Driver and Vehicle Agency, 2021). This percentage needs to be taken into consideration when evaluating the costs of the company.

Economic Factors

1. **Minimum Wage:** The UK government has raised the minimum wage to £8.36 (gov.uk, 2021) which might affect Lidl's ability to hire more staff or give any bonus or promotions.
2. **Globalisation:** It opened doors to new job markets and talent pools across the world. Lidl must keep up with this factor if they want to ensure they have the right employees for the right job, for fair wages.

Socio-Cultural Factors

1. **Demographics:** Taking in consideration the globalisation factor, Lidl must understand that in the same store will be several different ages, cultures, and religions. If HR and managers are not properly trained this might result in unpreparedness, unprofessionalism, and lack of equality.
2. **Isolation:** Due to the pandemic, people have had to isolate from others for a long period of time. This has a devastating long-term impact for our society. Employees might be less willing to work with others now (Cooper et al., 1989).

Technological Factors

1. **Constant Upgrades:** The constant technological upgrades (such as self-checkout register system) might become an information overload for employees.
2. **Simple Recruitment:** Given how interviews can now simply be conducted online (in systems such as Zoom) it is very easy to poach employees. Lidl must exceedingly care for its employees to avoid becoming understaffed.

Environmental Factors

1. **Sourcing Materials:** Lidl must participate in the ecological efforts of our present days. Sourcing eco-friendly materials and communicate to its employees these efforts are key. But for that there needs to be consistent message in the stores.
2. **Polluter Tax Pay:** According to this law any harm done the environment needs to be paid for (Giddens, 2010).

Legal Factors

1. **Health and Safety Laws:** Regular audits need to be carried out to ensure these laws are being obeyed.
2. **HR Policies:** COVID-19 changed a lot of HR policies (Gigauri, 2020). Employees might feel uneasy if these are not explained properly.

The Solutions

Solution 1

Having a weekly meeting between all managers and one employee representative. As well as having one daily brief between the manager and the rest of the team working that shift.

Solution 2

Creating a WhatsApp group for all the team working at Lidl, including managers.

Solution 3

To have a HR department dedicated to bridge the communication gap between managers and employees.

PMI Decision Making Tool (Score Scale: 5)

Developed by Doctor Edward de Bono the plus, minus, interesting (PMI) decision making tool is mainly used to encourage critical thinking, creative problem solving and brainstorming (Ahmed and Omotunde, 2012). This tool is key to understand the positives, negatives and implications related to a particular idea or solution (ibid).

Solution 1 – Weekly Meeting & Daily Brief

Plus Points	Minus Points	Interesting Points
Improved efficiency (+5)	Company must allocate extra time slots for meetings (-3)	New methods are introduced in the company (+4)
Increase revenues (+4)	Need to provide training to staff (-3)	Workload split better between staff (+4)
Employee is satisfied (+5)	Need for an election of one employee representative (-3)	Reduction of unnecessary extra hours (+4)
Less stress for staff (+4)	Raised debates (-5)	Opportunity to test new methods (+4)
Overall customer satisfaction will be increased (+3)	Manager as less time for other matters (-3)	
Plus Points = +21	Minus Points = -17	Interesting Points = +16
Final Value for Solution 01 = 21 + 16 – 17 = 20		

Table 1 - Solution 1

Solution 02 – WhatsApp Group – (score scale: 5)

Plus Points	Minus Points	Interesting Points
Creates a bond between the team members (+4)	Extra responsibility to whoever oversees the chat (-2)	The company is keeping up with new technology (+1)
Clear communication of weekly goals (+5)	A setting too informal between managers and employees (-3)	Able to see past rotas and any past important information (+1)
Better communication of rotas, holidays, and days off (+3)	Sensitive or confidential information might be shared (-5)	Space for new ideas (+3)
Reassure employees regarding any new company policies (+3)	Inappropriate content might be shared (-5)	Use of WhatsApp during work hours (-4)
Share positive attitudes or work tasks well done (+3)	Complaint platform about a work task not done well (-4)	
Plus Points = +18	Minus Points = -19	Interesting Points = +1
Final Value for Solution 02 = 18 + 1 – 19 = 0		

Table 2 - Solution 2

Solution 03 – New HR Department (score scale: 5)

Plus Points	Minus Points	Interesting Points
Employees will know who to contact (+5)	Adding a third party might become too confusing (-4)	The new department might feel unapproachable to employees (-2)
Managers will be available to do other tasks (+3)	Opinions between HR managers, and employees might differ (-5)	Will HR be able to solve a problem when they do not know how it feels to be in the shopfloor? Their main job is usually in the office (-3)
Employee work satisfaction increases as they feel more supported (+4)	Extra cost to create and maintain the new department (-5)	
Productivity increase (+4)	Extra cost to train the new staff (-3)	
Plus Points = +16	Minus Points = -17	Interesting Points = -5
Final Value for Solution 03 = 16 – 17 – 5 = -6		

Table 3 - Solution 3

The Best Solution

When comparing the three solutions according to the PMI, it is possible to conclude that the best solution is solution number one. Having a weekly meeting between the managers and one employee representative and every day have a staff brief where managers can explain to the staff what the daily goals in terms of sales are and in terms of customer service.

During this weekly meeting between managers, managers can also talk to HR and understand what their weekly goals is and how are they keeping the vision and mission of the company true to itself. Therefore, happy employees, should reveal a positive ROI for the company. Nevertheless, a team effort is required to make it work from HR department to managers and employees.

Plan of Implementation of Solution 01

To tackle a miscommunication problem the best solution is to communicate more, and more efficiently (Jackson and Hooff, 2012). It is expected that all managers in store support this solution. In addition, it is important to involve the HR department because essentially, they are the ones that maintain employee satisfaction, commitment to work and even maintain a balanced atmosphere at work (Reiche et al., 2019). Moreover, this solution can be applied to other stores that might face the same issue, so the regional managers should also be involved.

Major Tasks

1. Training on public speaking and how to run an efficient meeting
2. Arrange a timeslot for HR and management department to revise the point of situation
3. Arrange a time slot for management and employee representative
4. Run the meetings and collect the data about the efficiency of the process
5. Make changes if required regarding the feedback provided from the meetings
6. Assess deadlines, goals and check if anything is off track
7. Present new solutions for smaller issues
8. Perfect the cycle of the process

Implementation Schedule

Task	Duration	Resources required
1	1 days for each department	Laptop, projector, office room
2	1 day	Contact the management department
3	1 day	Contact employee representative
4	1 day a week	Laptop, projector, office room, meeting forms
5	1 day	Feedback forms collected from meetings, meeting room, laptop projector, employee representative
6	4 days a month (one day per week)	Laptop, projector, feedback forms for company stakeholders, office room

7	Everyday	Location, management, and employee representative
8	1 day a month	Laptop, projector, office room

Table 4 - Implementation Schedule

Security and Privacy

It is crucial for Lidl to continue to treat any sensitive and confidential information as it is legally mandatory. Therefore it must review organisational policies and conduct risk analysis (Miller and Stuart Wells, 2007). Moreover, Lidl is responsible for guaranteeing the confidentiality, integrity and availability of the systems, services and staff that processes any data (Cornock, 2018).

Monitoring Performance

This solution will be accepted by employees and managers at Lidl because as proven in the PMI tool it will improve efficiency, increase revenues and employee's satisfaction. Moreover, this solution will consequently also improve customer satisfaction which is one of Lidl's most important mission statements. The metrics for success for this solution is the meetings constantly happening for 1 year, as well as employees attending and being engaged with the challenges that might surge during the meetings.

Review and Feedback

This solution is highly adaptable, if needed the meetings can happen monthly or bi-monthly and other departments can join. Feedback from stakeholders will be essential to help monitor the success of this solution. If items ordered from suppliers are not going to waste as much; if customers are happier with the service provided; and more importantly if job satisfaction increases. Additionally, every month the ongoing success of this solution can be evaluated through a review meeting between the head manager of the store and the HR department. Lastly a draft implementation plan will be produced and presented to the management team and get the approval.

Conclusion

With careful observation of the work environment it is possible to conclude that Lidl has a complex communication problem. The SWOT, PESTEL and Fishbone Analysis demonstrated that it needs to be resolved if the company wishes to maintain good customer service and employee satisfaction. In addition, this report proves the power of knowing how to find solutions, plan and map them out, knowing how to efficiently make assertive decisions for a better implementation plan. Lidl's complex problem can be resolved through a weekly and daily meeting.

All companies have complex problems, some of them harder to fix than the others. However, as demonstrated by this report teams should use their creative thinking to come up with solutions for their challenges and not be perplexed with a problem. There's nothing that passion for your job, a good plan, and commitment cannot fix.

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