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Problem Solving and Decision Making

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Introduction

This report is investigating a work based problem from past experience whilst working in Zara. The decision making process involves defining the problem, analysis and evaluation, alternative solutions, selecting the solution, plan of action, communicating the solution, and evaluation. For that purpose there are used different tools of analysis that evaluate an array of complex information on the problem and the workplace: Zara.

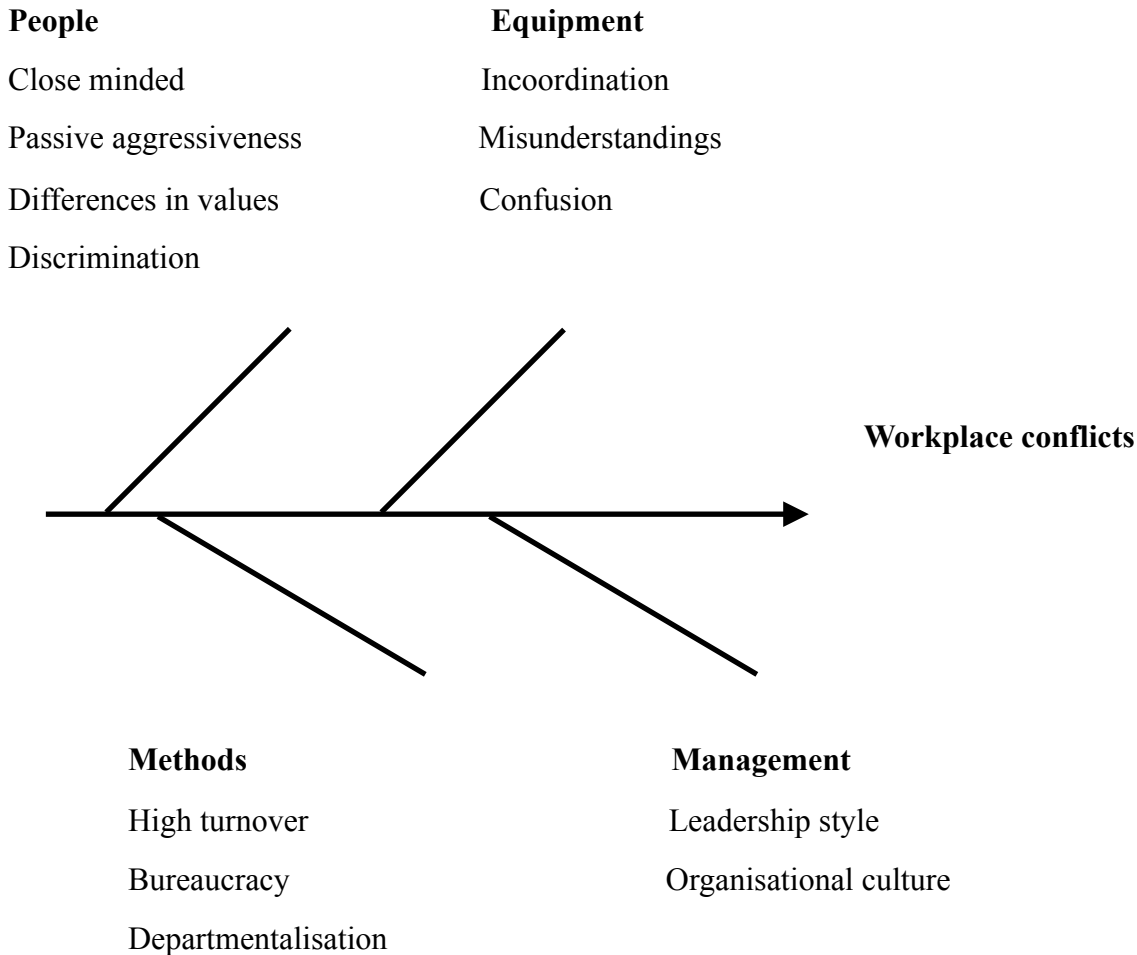
Defining the problem

There are different problems that can occur in the workplace due to different factors that can be associated with the lack of communication, individual traits, organisational structure and management, working conditions. One of the most common problem at the workplace is the conflict. Conflicts can appear in different situations and are inevitable because people are different and think and feel differently.

The scope of the problem is to analyse the information related to the problem, the causes and sub causes, the effects and the impact on stakeholders. The conflicts are not always a negative cloud in the workplace and are a sign of group dynamic. However interpersonal conflicts that are more serious and affect the effectiveness of the team and employees are considered to be detrimental to the organisational performance. The overall impact of the interpersonal conflicts can deteriorate the working environment and culture, productivity and motivation. How to deal with conflicts is important in order to obtain the best results and have a smooth business activity (CIPD, 2015).

Analysis and evaluation

Fishbone diagram



The Fishbone diagram illustrates the causes for the workplace conflicts. Workplace conflicts can happen when employees are closed-minded, have a passive-aggressive behaviour, are confused and misunderstand the communications. Incompatibility of behaviour, differences in values, culture, language can influence the response to workplace stimuli (Whetten & Cameron, 1991).

The task-based conflicts refer to disagreement and incoordination in tasks performing. When one department does not get job done properly and in time and that influences the activity of other department that will create tension and discontent. Therefore conflicts can occur between dysfunctional departmentalisation and bureaucracy. Other conflicts relate to the leadership style and how staff reacts to that. Further that the different working style can generate conflict as not anyone can work efficiently in teams. The personality based conflicts come from the interaction

and perception over people. Discrimination leads to more serious conflict which should not be tolerated by the organisations. A positive conflict comes when brainstorming and creating new ideas and competing (Barki & Hartwick, 2004).

Conflict resolution is essential in the workplace because it can affect the organisational culture, the productivity, the morale. A tense working environment is not proficient for the business and leads to dissatisfaction and higher staff turnover. In some cases the conflicts can carry legal risks. In some cases employees can choose to quit job preferring to leave the tensional working environment even if it was not directly involved in the conflict. Another aspect to consider is the waste of time and energy to mediate and counsel the unceasing conflicts. Minor conflicts can spiral into concerning issues for the organisation (Rahim, 2001).

Managers are usually responsible with conflict management and when needed by Human Resources Department. The management approach to resolve conflicts is usually too casual and do not go to the root of the problems and constitute a continuous feature for the organisation. The management style can be a source of conflict when the approach is considered too authoritative, too coercive. On the other hand employees can act abusive, refusing to perform some tasks and bullying the team members (Tepper et al., 1998).

PESTLE analysis

Political factors

Zara is part is an international brand that operates in the fast fashion industry. Zara is part of Inditex Group based in Spain within the European Union and it benefits of the the free trade policies for finished products. Import and export also applies to supplying raw materials to its factories in Europe and outside of Europe. Political disruption from some countries can affect Zara's activity (Statista, 2021).

Economic factors

Zara uses the low cost force from other countries that have a lower economy comparing to developed countries. Brexit has increased inflation and reduce the disposable income and therefore the clothing sector (Regional Business News, 2021).

Social factors

Social trends influence the demand in the industry, but Zara has a variety of products and operates in different markets.

Technological factors

Zara uses technology for logistics, for marketing and for operations in stores. The technology increases the customers satisfaction and the ability to fulfil customers needs. Zara is able to produce, design and manufacture, in very short time of period, surpassing many competitors.

Legal factors

Zara has to follow legal requirements related to manufacturing, copyright laws, employment laws.

Environmental factors

Zara has adopted sustainability and had focused on strategies as it had received many criticism for the provision of fast fashion which can be seen as disposable. Zara is involved in different projects related to climate change, biodiversity, water and energy consumption.

SWOT analysis

Strengths

Zara is a pioneer in producing fast fashion short time after identifying new trends. Zara is able to design and manufacture in less than one month and that is enforced by good logistics and infrastructure systems. The organisation is able to deliver within 28 hours anywhere in the world. The design team has numerous designers that produce around 50000 designs per year. Zara has a large number of stores opened in numerous markets and it operates online also (Slijepcevic et al., 2021).

Weaknesses

Zara struggles to balance sustainability with fast fashion production. The reliance on physical stores had been proven a weaknesses during pandemic. It has a weak presence outside of Europe.

Opportunities

Zara has the opportunity to increase its presence online and offer this service to more markets. Zara could personalise their products by creating collections for different segments. The organisation can make use of big data from it collaboration with AI. Zara should enhance more its focus on sustainability as this is a growing need of the current society. The organisation should use more social media and influencer for marketing purposes (Srirang, 2021).

Threats

Competitors such as H&M are a threat for Zara for the traffic in physical stores, but online it faces an even larger competition such as ASOS, Boohoo, Shein. Zara can be vulnerable to the

price war. Pandemic is another threat that can cause disruptions in the organisation (Business of fashion, 2021).

Alternative solutions

The problem presented in this report refers to the conflicts between employees working in the Zara's physical store. Conflicts that occurred whilst working in Zara are task-based conflicts, working style conflicts, leadership style conflicts.

The personality based conflicts come from the interaction and perception over people. Zara as an international brand works in cross cultural settings and has developed multicultural dimensions within the organisation. In Zara's stores employees have different backgrounds and the team can have different values and beliefs. This often generates in conflicts when employees can have different working styles, considering things should be done a certain way. The occurrence of the conflicts creates tension, weakens team work, reduces trust and morale.

Managers are responsible for leading the teams and have to be able to mediate conflicts and resolve them effectively. In order to address the working style there are several solutions that could be implemented. Managers should be given training on managing conflicts. This could be outsourced from professional trainers that can offer the knowledge and set practical experiences. This training should be realised periodically for actualisation of knowledge and experience sharing. According to the SWOT analysis the organisation has the resources to implement the solution to the store managers who would have more knowledge on dealing with identifying and dealing with different types of conflicts. Another solution would be in organisation of weekly meetings before store the store opens to highlight what needs to be done for the week expressing the modality in which is expecting work to be realised, deadlines and targets, but also allocating time for suggestions and ideas where it could be selected the best approach for the team.

Selecting the solution

Managers should have clarity in the source of conflicts and for that purpose should ask questions and understand the issues. This could be realised peacefully in a safe environment and allocate enough time for the staff to express their views. Further investigation should be realised in order to ensure there are noticed all the aspects of the conflict. The next stage would be to determine ways to solve the conflict and select the best way for the common goal and determine responsibilities for the team.

Based on the analysis above the most efficient solution will be to have weekly meetings to ensure clarity towards the job tasks, expectations and suggestions and contributions from the staff. Staff that does some job tasks on a regular basis gains knowledge on how things can be done in the most efficient way. The general way of doing things sometimes is not that effective and such observations can only come from doing the job. That is why a manager should listen and ensure effective communication in order to avoid working style based conflicts. Some employees can come with experience from other organisations for performing tasks or can have own insights for performing a task and that could be helpful for the team and not considered negative input and arise conflict. The analysis also highlighted that Zara is able to adapt and should take advantage of such small changes that could improve performance and reduce conflict. Therefore this solution would be a proactive step in avoiding this type of conflict and focus on performing instead.

Plan of action

The plan of action will involve the store manager to communicate to all departments manager the need for change by emphasising the the negative effect of conflicts on morale, performance, culture. The store manager would make sure the change is accommodated by all managers and that have the knowledge to hold the meetings in the most efficient way. Any obstacles to the change, lack of time or unwillingness of some managers to hold the meeting should be addressed and highlight the role of the change (ADKAR model).

Communicating the solution

Stakeholder map analysis

High power

A Minimal effort Local communities	B Keep informed Independent designers
C Keep satisfied Local authorities Government	D Key players Customers Inditex board of directors Employees

Low power/ interest

High interest

The solution needs to be communicated to the stakeholders according to their levels of interest and power. The board of directors give high level of autonomies to manage their stores. Each store is in direct communication with the central office in Spain. This change does not involve usage or financial resources and it is related more to management and leadership. Therefore the stakeholders that need to be informed are the employers. This change would be communicated in a formal way through email to each employee. Informing about the purpose of the meeting and the format of the meeting.

Evaluation and monitoring

The evaluation and the monitoring will be realised by each department manager who will document the meeting, it will send the minutes of the meeting to all the employees making information available for all the employees who are not working that day when the meeting takes place. Also the managers will be responsible with the taking feedback from the staff on the change to see if it has improved the working style and the overall performance.

Conclusion

In conclusion the decision making process has followed specific stages that helped the management to solve the problem of different working style conflicts. The selected solution is an internal applied solution by the manager in order to have more efficient communication and reduce conflicts.

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