

Problem Solving and Decision Making

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Introduction

The purpose of the report is to identify the problem company is facing using various tools like root cause analysis, situational analysis tools and then finding the range of alternative solution and selecting the best possible solution for the company. Next, the report presents way, the plan can be implemented and communicated to stakeholders and way the plan can be monitored and reviewed.

Company Overview

WH Smith is a United Kingdom retail company. The company was founded 230 years ago in the year 1792 in London by Henry Walton Smith and Anna Smith. Currently, the company is operating in more than 1700 locations. WH smith is having headquarters in Swindon and the total employees strength of the company is 11235. The company operate chain of high street, airport, motorway service station shop where they sell entertainment products, newspaper, stationery magazines, confectionary and many more (WH Smith, 2022).

The work place problem

The company is one of the oldest companies but the company is not working well when it comes to employee's management. The problem that is being faced by WH Smith is employee's retention and improving employee's satisfaction and employees are posting negative reviews about company (Indeed, 2022). Due to all this, the company is facing problems in retaining the employees and making customers satisfied with their job in the company for a longer period of time and thus creating a negative impact on the overall performance of the company (Glass Door, 2022).

Analysing information

Root cause analysis

Cause and effect analysis is used for improving the effectiveness of the organisation and for this, it is very important for the company to analyse the root cause of the problem and this can be done by using the Fishbone diagram. Fishbone tool is also known as the cause and effect diagram and this diagram identifies different causes for the problem and this model can be used for structuring the brainstorming sessions. This tool includes an analysis of problem on the six bases (Shinde et al., 2018).

The main problem that WH Smith is facing is lower retention of employees and dissatisfaction among the employees related to the job. Analysing the CIPD report of UK, in the next 6 months more than 6.5 million people will quit their jobs due to poor job quality and the biggest dimensions that are identified by CIPD that influences the employees to quite the job and high dissatisfaction among the employees includes- pay and benefits, work life balance, health and wellbeing, nature of work, job design, employee contract, poor leadership, lack of development opportunities and many more (CIPD, 2022). Many of the employees and former employees of WH Smith has/are complaining that company is not offering better pay and their payment system is quite slow. Apart from this, the employees have also complaint about the bad working conditions of the company. The company is also providing lower wages and force employees to work for a longer period of time. And together all this is resulting in lowering the employees retention rate and dissatisfaction among the employees (Glass Door and Indeed, 2022).

Fishbone diagram

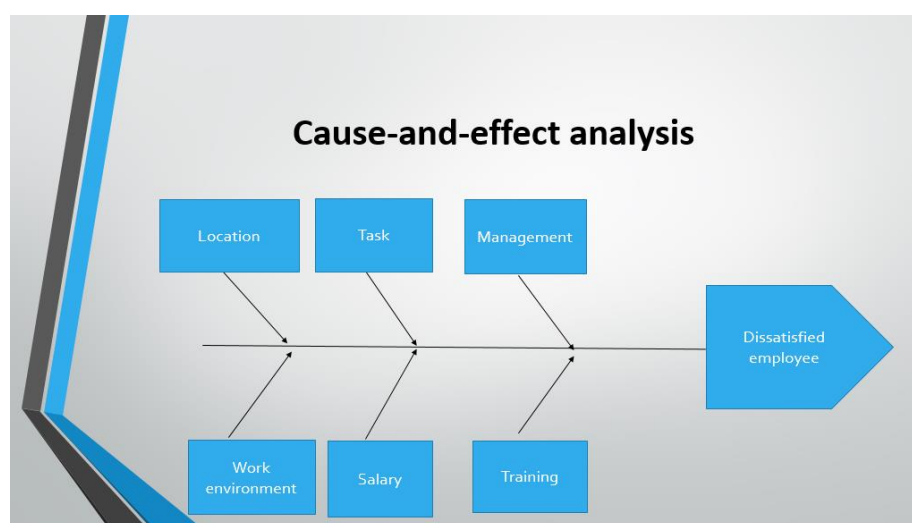


Image 1: Fishbone diagram

Applying situation analysis models

After analysing the root cause of the problem, it is very much important for the company to analyse the business environment of the United Kingdom as it will help in identifying the current market situation and based on this, some strategies can be developed to overcome or resolve the problem, the company is facing today (Grant, 2021).

Pestle Analysis model can be used to understand the factors that are affecting the operations of the organisation and thus directly or indirectly influencing the employee and their satisfaction level. The use of pestle analysis tool will help in identifying the factors that are contributing in the generation of the problem

Political factors: The political factors like the political stability, trading regulations, taxation policies, anti-trust laws related to the retail industry, wage legislations are some of the political factors that affects the company and this its working. The political stability in the United Kingdom is recorded at 77 per cent and due to this, it can be said that the is not creating any negative impact on the business operations of the company (Trading Economics, 2022).

Economic factors: This factor is one of the major factors that negatively affect the employee's satisfaction. Economic factors that are affecting the companies in the United Kingdom include bank rates, inflation rate, unemployment rate and many more. The outbreak of the covid19 pandemic has created massive destruction and it has also affected the profitability of the company and thus the compensation of the employees. Not only this, it has increased the work load on the employees and due to this, it is resulting in the higher dissatisfaction among the employees (Altig et al., 2020).

Social factors: Cultural and social norms, demographics and the skills level of population, education level of the customers, broader nature of the society, hierarchy, power structure of the society are some of the social factors that influences companies working in the United Kingdom and thus when these factors negatively affect the sales and profitability of the company, it causes dissatisfaction among the employees (Perera, 2017).

Technological factors: Recent technological developments in the retail industry in the United Kingdom and technological advancement by the competitor companies are the two major technological factors that affect the retail industry. The increasing use of technology is improves the productivity and performance of the company and employees, but at the same time, it can also result in reducing the demand of employees and can even became a barrier

in the growth of employees and results in dissatisfaction in employees (Kenney and Zysman, 2016).

Legal factor: there are various legal factors (laws and legal rules) that influence the companies in the United Kingdom like the employment contract act, minimum wages rate, health and safety related laws. The legal factors force the companies to make to make some legal bind the companies to make some strict legal rules and regulation and this affects the perception of the employees and influences their satisfaction level (Kwilinski et al., 2019).

Range of alternative solutions

Implementation of the cause and effect analysis (fishbone model) and situational analysis, it can be said that the business environment is very fluctuating and due to this, the company has to make constant changes and this affects the performance and productivity of the employees and At WH Smith, the top three issues that are making it difficult for the company to retain the employees and improve their satisfaction level is poor leadership and management, Lower compensation and rigid and unfriendly working environment. Hence the three best solutions for the company to solve the problem can be:

Solution 1: Change in leadership approach and compensation policy

Solution 2: Creation of the friendly working environment

Solution 3: Employees' engagement sessions (Author's work)

Evaluation of the alternative solutions

There are various methods that can be used to evaluate the alternative solution. Here all of the three solutions can be analysed using weighted decision matrix as it is one of the qualitative technique to evaluate the set of choices against the set criteria.

Step 1: Listing of the different choices

Solution 1: Change in leadership approach and compensation policy

Solution 2: Creation of the friendly working environment

Solution 3: Employees' engagement sessions

Step 2: Determining the influencing criteria

Cost to company

Risk associated

Business values

Step 3: Criteria rating and choice rating

	Business value	Cost to company	Risk associated
Weights	5	2	3
Change in leadership approach and compensation policy	5	2	2
Creation of the friendly working environment	3	3	4
Employees' engagement sessions	1	5	4

Chart 1: Criteria rating and choice rating

Step 4: Calculations of weighted scores and total score

	Business value	Cost to company	Risk associated	Total score
Weights	5	2	3	
Change in leadership approach and compensation policy	5x5=25	2x2=4	2x3=6	25+4+6=35
Creation of the friendly working environment	3x5=15	3x2=6	4x3=12	15+6+12=33
Employees' engagement sessions	1x5=5	5x2=10	4x3=12	5+10+12=27

Chart 2: Calculations of weighted scores and total score

Step 5: Decision making

At this stage, the choice has to be made and the solution scoring highest score is needed to be selected and needs to be given preferences and due to this the best solution for overcoming the problem is to make Changes in leadership approach and compensation policy.

Organisation can make changes in the leadership approach and needs to revise the compensation policy. The revised compensation policy should include improved financial benefits for the employee (Malik et al., 2015). The company needs to change their leadership approach to transformational and participative as it will make employees feel that they are an integral and important part of the company and it will also allow the leader to understand the employees in more better way and thus improves the relationship of company with organisation (Iqbal et al., 2015).

Implementing the solution

Once the solution has been selected, the next step is to implement the plan and for implementing the solution ADKAR model will be used and in order to implement the solution, the company needs to follow the 5 steps:

Step 1: Creation of awareness of the need of change

At this, WH Smith needs to communicate to whole organisation about what change is needed and why the change is needed.

Step 2: Fostering the desire to make the change

At this , the company needs to specifically present the benefits the employees will get after implementation of change in order to make them accept the change (Tang, 2019).

Step 3: Guiding employees about how to change

At this stage, the company needs to provide training and development to the employees.

Step 4: Ensuing the ability to change

At this stage, the company needs to motivate employees that they have ability to cope up with change.

Step 5: Reinforcing change

At this stage, the company needs to make change a permanent part of the company (Dana et al., 2016).

Communication plan with stakeholders

Identification of stakeholders

There are various stakeholders that are associated with the problem and will be affected by the change including-

Employees: These are the one who work for company and has low power but high interest in company

Shareholders: these are the investors of the company and has high power and high interest

Customers: These are the one for whom company work and has high power and low interest

Suppliers: These are the one who supply material in the company (Jones et al., 2017).

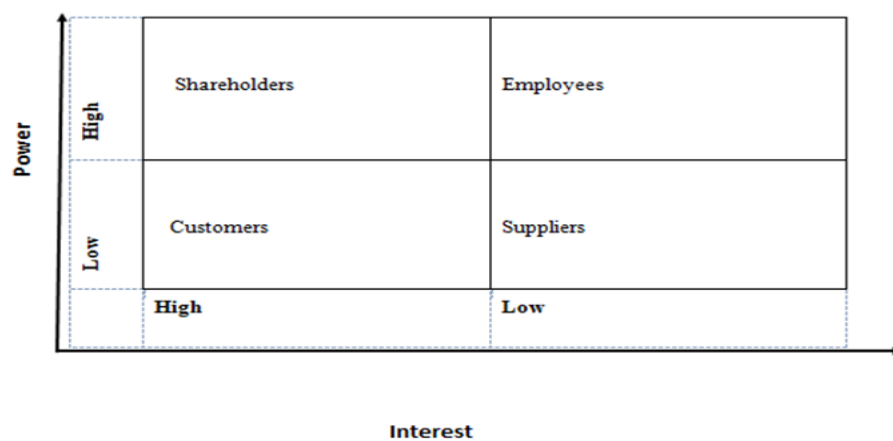


Chart 3: Power Interest Matrix

Stakeholder's communication plan

Stakeholder	Power and interest	Interest	Communication	Frequency
Shareholder	High	High	Formal report, meetings and email	High
employees	Low	High		High
Customers	High	Low	Marketing and email	Low
Suppliers	Low	Low	Meetings and email	Low

Chart 4: Stakeholder's communication plan

Monitoring and review techniques

There are various methods or review techniques through which the effectiveness of the solution implementation can be monitor and review and one of technique through which the company and measure the performance is ADKAR Gap Model.

According to this model, the company needs to collect the feedback of the employees and then needs to analyse the feedback of employees, if still employees are unsatisfied with the company then the company needs to diagnostic the gap and manage the resistance. After this, the company needs to implement the corrective actions in order to celebrate the success (Galli, 2018).

Conclusion

Analysing the report conclusion can be made that employees are the backbone of any company as they are the one because of which the company is able to provide services or products to the customers, hence satisfying their needs and wants is very important for the companies. In order to understand the employee, a manager or leader must have problem solving skills as this skill allow the manager or leader to identify the problem that employees are facing and allow them to find the most appropriate solution for solving the problem. Not only this, problem solving skill is also need to overcome the obstacles that are faced by the companies and help in identifying the creative and decisive alternative solutions rather than getting bogged or panicking down in the issues.

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