

Problem Solving And Decision Making

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Introduction of the organisation

Tesco is one of the prominent supermarket retailers in the UK. The company has more than 3400 stores nationwide (Tesco, 2021). Despite the fact that the company is one of the top retailers in the country, the company faces stiff competition from similar supermarkets including those of Asda, Sainsbury's, Morrisons and others. The company is operations in both the physical store and online store format and makes sure that of offer quality products at low price.

Identification of Complex Problem/s in Tesco

In spite of being a well-known and globally popular retail chain, Tesco has certain work-based issues like discrimination and demoralising working conditions (especially during Covid-19 pandemic). Since the Covid-19 outbreak, Tesco employees have been working exceptionally hard to ensure optimum customer buying experiences, but demanding work is now taking a toll and some are finding the working condition demoralising. A worker revealed that the environment has changed drastically and people no more feel appreciated to work in Tesco and they no more get double pay for working on Sundays. Even when Tesco stores are closed at night, it is stressful for the workers as dotcom people who take online orders of the customers would come at mid-might for pickup when they are still filling the shelves. In reality, many workers work together down an aisle that they merely get a scope to keep a foot apart, never mind a distance of two meters. Though Tesco is offering 10% bonus on the working hours to the shop floor employees, it is lesser in comparison to the bonus offered to the distribution employees (Cunningham, 2020). It points towards the probability of unfair distribution of monetary benefits.

Problem-Solving

SWOT analysis

Strengths- The biggest strength of Tesco is its brand name that has created an excellent awareness in the UK retail customers. Thus, Tesco has the scope to use its brand name as a tool for retaining and attracting professionals, while elevating their morale by making them acknowledge the fact that they working in one of the top UK retail chains.

Weaknesses- Tesco has major presence in the UK market only. Thus, in case of any employee unrest it would be extremely difficult for the organisation to keep its workforce intact and prevent negative publicity. This, in turn, would adversely affect its business growth and brand image.

Opportunities- Tesco has the scope to enhance its online presence and thereby, attracting online customers that have increased substantially post Covid-19 outbreak. Tesco also has the scope to introduce a new product line that would focus solely on sanitisation and hygiene, the importance of which has increased significantly during the Covid-19 pandemic.

Threats- Though Covid-19 pandemic is an opportunity it is a threat as well for Tesco. This is because it gives an opportunity for the emerging online retailers to eventually establish a hold in the UK retail market. Furthermore, Covid-19 pandemic affects people's financial condition that would restrict their affordability and thereby, affecting Tesco's profitability.

Porter's five forces

Threat of substitution – it is seen that there are prominent supermarket retailer operating in the UK, including that of Sainsbury, Asda, Lidl, Morrisons which offer similar products to the customers (Shadbolt, 2015). Hence, it could be stated that there are several substitution available for Tesco, hence the threat is high.

Threat of new entrants – it is important to understand that the threat of new entrants in the supermarket retail sector is low, considering the investment that is required. Further the brand image of the existing ones is prominent enough, which is likely shadow the existence of any new smaller company

Competitive rivalry – Tesco faces immense competition from its competitors which includes Asda, Sainsbury's, Morrisons, and Waitrose. Apart from that the discounters including that of Aldi and Lidl also offer a high degree of completion, as they are able to offer quality products at much lower rates (Shadbolt, 2015).

Bargaining power of the buyers – The bargaining power of the buyers is high in the UK supermarket retail sector as the switching cost is low for the customers

Bargaining power of the suppliers – Tesco works with nearly 3000 suppliers in the UK and several other abroad. However these suppliers do not exert any power on Tesco due to the brand image of the company and the power that it has in the market. Also in some cases, it could be seen that Tesco bargains hard with suppliers with price cuts

Force field analysis

Considering the fact that there are several issues related to Tesco, it is important that appropriate solutions are adopted in the case of Tesco, which is likely to make sure that the company is able to

enhance its operations. Hence, in this context, it is important to bring change in the organisational culture and leadership style, which is likely to enhance the operations of the organisation along with making sure that the employees are motivated and their needs and wants are looked after (Baulcomb, 2003). However it is important to understand that there are certain barrier and facilitators for change, which needs considering:

Forces for change

- Top hierarchy in Tesco are more concerned about getting the job done, rather than looking after the concerns of the employees
- Employees do not get paid additional amount for the Sundays that they work
- There is no fixed working hours for the employees working in the online segment
- Lack of appreciation for the performance made by employees
- High work stress and lack of motivation (Cunningham, 2020)

Forces against change

- Change in culture is likely to affect employees and organisational operations.
- Leaders and managers might not recommend the change to upper management
- Might take time to implement change which might disrupt the operations

Solutions to the complex Problems

Solution 1- Changing the leadership/management style

It seems people at the top hierarchy in Tesco are more concerned about getting the job done. In other words, it seems “Produce-or-Perish Management” prevails in Tesco, with reference to Blake and Mouton managerial grid (Szabla et al., 2018). This type of management has low concerns for people but high concerns for results. Furthermore, it seems transactional leadership is followed in Tesco, where the leaders are unable to see the future that working condition related issues would gradually convert into grievances and would have an adverse impact on business performance. Therefore, adopting “team management” managerial style and transformational leadership would be essential. This management style would ensure equal focus given on results and people so that their

morale can be kept high and transformational leadership would ensure foreseeing the future to take precautionary measures for potential challenges.

Solution 2- Changing the work culture

Adopting clan culture is essential for Tesco, where collaboration is an integral part that encourages people to think of others and work together (Cameron & Quinn, 2011). This would develop strengthen their bond and develop loyalty for the organisation.

Alternate Solution Generations

As it has been identified that there is too strict common in the organisation, along with that, low level employees do not have the required flexibility and the strict environment often makes it difficult to have open conversation. Hence, considering these problems, it is likely that bottom up communication could be implemented. With the help of a bottom up communication, the lower level employees would be able to communicate their problems to the management. At the same time, it is seen that with the help of a bottom up communication, the management would be able to understand the issues of the employees and make sure to incorporate changes which might enhance the work culture. On the other hand, it is important to implement performance based bonus to the employees, so that the performance of the employees could be enhanced while at the same time, it is likely to motivate the employees to work hard and take additional loads (Ayub & Rafif, 2011).

Evaluation of best alternatives

SOLUTIONS	PLUS (P)	MINUS (M)	INTERESTING (I)	POINTS (1-5)
Changing the leadership / management style	It would have a positive impact on the work culture.	Identifying an efficient leader might be a challenging task.	It directly influence work culture.	4
Changing the work culture	It would make cooperation an integral part of shared values of Tesco.	Employees might not accept the change or resist the change initially, provided they know its positive outcomes for them.	It influences employees' morale and motivation level.	5
Implementing bottom-up communication	It would bring many HRM issues in front of the management that were not known	Employee might start taking authoritative roles.	It influences work culture.	3
Introducing performance-based bonus system	It would influence employees to improve their individual performances.	Employees might focus more on their individual performances, while ignoring team performance, leading to poor team cohesion.	Higher the productivity higher would be the bonus. In other words, it would be mutually profitable for the employer and employees.	3

As second solution (Changing the work culture) has scored highest in the scale of 1-5, it would be the most effective solution to be adopted by Tesco for overcoming the current challenges.

Implementation

It is important to implement the change in an effective way. However as per the ADKAR Model of Change Management, it is important to make the people aware of the change (Hiatt, 2006). Hence, in this context, it is important that the employees of Tesco including the middle; level and the lower level are made aware of the change to be implemented that is change in the organisational culture. After the awareness is created, it is important motivate the employees so that they adopt the change. After awareness is created and desire is sought, it is important that employees are provided with effective training so that they are able to adapt to the change and cope with it. After that, it is important that the employees have the ability to make the change. Lastly, it is important that the change implemented is reinforced (Hiatt, 2006). Hence, it is likely that the ADKAR model highlights the ways in which the change could be implemented and made to stay in the organisation, however it is also important to understand that all the employees are in the same state of mind in order to implement the change.

Monitoring and Control

Once the change is in place, it is important that the change is monitored closely and that all the staff and employees make sure to adopt and embrace the change willingly. It is likely that with proper implementation, monitoring and control, the change would be permanent. Further effective monitoring and control could also ensure that the any loopholes or chances of falling back to previous methods could be overcome.

Communicate to the stakeholders

The key stakeholders who would be mostly affected by the proposed solution are the existing employees, customers and investors. This is because changing the work culture would elevate the morale and motivation level of the employees so that their performance can be enhanced. This would boost organisational performance and thereby, increasing profitability. This, in turn, would give maximum returns to the investors. On the other hand, the customers would get more effective services. Thus, the employees would be communicated about the solution via e-mails and team meetings. The investors would also be sent e-mails explaining the upcoming changes and the way it would benefit them. As the customers do not have much interest in Tesco's culture, but what they get from the company, they would be informed the enhanced services they would obtain through advertisements.

Recommendations

Tesco should appoint an external change management agent, who would be able to use his/her expertise to diagnose the prevailing issues in Tesco efficiently. Furthermore, the change agent already has industry knowledge that can be utilised to ensure the change implemented helps Tesco to get competitive advantage. It is also important that effective communication is ensured in the change process so as to understand whether there are any issues in the process of change implementation.

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