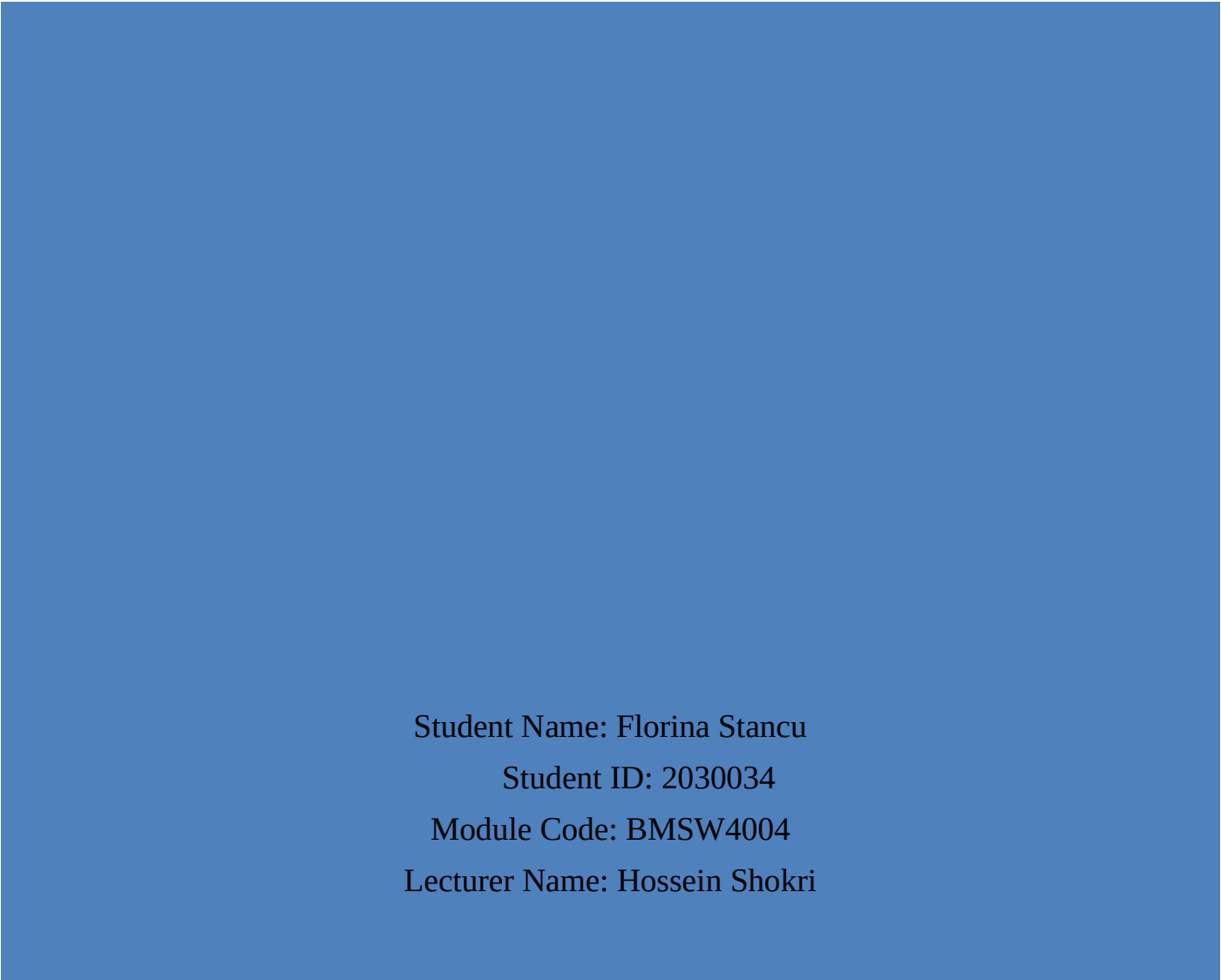




PROBLEM SOLVING AND DECISION MAKING



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Report task 2

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Introduction

Nowadays so many workers are unsatisfied with their salary and the salary system of the company. Eventually, we can see that there occurs some protests or mishaps because of the poor salary system. Thus, the companies use PESTLE analysis to improve their business. The PESTEL Analysis is an apparatus used to get a full-scale image of an industry climate. PESTLE represents Political, Economic, Social, Technological, Legal and Environmental variables. It permits the industry to frame an impression of the variables that could affect another business or Company. Some variables will be more important to various kinds of organizations, and a pestle examination will help characters with Risk-taking with factors for the SWOT investigation.

PESTLE investigation is a viable structure that aids in examining the whole full-scale climate. It helps in breaking down the effect of different elements upon the association. The businesspeople and the administrators utilize this instrument for distinguishing the different elements that can have an effect on business tasks in a positive or pessimistic way. Subsequently, the associations can break down different dangers that can emerge in their work and can go to different lengths ahead of time. As all the partner bunches are affected by the tasks of the organization, it is extremely fundamental for the association to break down these large-scale factors. The companies will introduce the workers to the PESTLE factors. subsequent to going through it, we can show up at a particular arrangement.

A complex problem and Its scope and Impact

A few Company's compensation procedures are the absence of the key, the absence of forward-looking. The purported vital compensation the executives, which is to say, in settling on choices on the compensation, should consider the potential open doors, qualities and shortcomings, the danger of doing the exhibition of the general climate. It depends on the improvement objectives of ventures and thinking about the ongoing interior and outer climate, to choose the endeavor's compensation technique of an administrative exercise. Albeit The Companies in the compensation the board has done a great deal of endeavors, however, the compensation framework to change to in any case experience a ton of difficulty, the staff's fulfilment with the compensation isn't high, frequently the old the issue isn't settled, new issues followed too (TEKLU, 2021). One of the significant reasons is that those Companies in the compensation configuration didn't begin from the endeavor advancement objectives, yet the compensation on the compensation, the

compensation as the expense of the venture, not the compensation the executives as a way to accomplish the organization's general objective. Let the compensation of the board serve the organization. Thus, even though it has been spent on compensation for the executives, it has been inadequate as far as paying the board because of the absence of key compensation from the board.

Analysis and Decision-Making Process

For making appropriate choices the organization needs to examine the compensation framework. Through examining the information, it is introduced as an information dashboard. The dashboard incorporates a histogram, bar diagram, pie outline, word cloud, and so on. The information perception helps ranking directors (office supervisors, corporate leaders) figure out the organization's activity, sum up the previous experience and plan vital objectives for what's to come. As of now, when most organizations direct quantitative examination of pay information, they by and large stay at the degree of elucidating investigation (Thomas *et al.* 2021). Not many organizations accomplish prescient investigation and direct examination. The two software Python and Excel are amazing Applications; HR can use them for multiple needs. Little information scale fast got results and basic legitimate relevance are reasonable which are accomplished by VBA and Excel, while taking enormous scope of information and confounded computation, Python's joining and strong data set can be effectively tackled (Chouan and bin Zakaria, 2021). In the compensation field, quantitative investigation can be done from 6 perspectives: work value examination, inner decency examination, outer seriousness investigation, individual prize, pay structure examination and pay fulfilment examination. As far as work cost examination, investigate the organization's income, benefit, pay financial plan cost and its change range; while directing inner decency examination, perceive the connection between representatives' schooling foundation, abilities, division, position, rank, position and inward value; dissecting outside seriousness need to comprehend the compensation level of outer information in the business in light of position, and compute the recurrence, focal inclination and scattering of the compensation level; while breaking down the singular award, think about thoroughly representatives' long periods of administration, participation, abilities, positions, positions, execution and advancement;

concerning dissecting pay fulfilment, recognize the vital variables from position, office and association points of view.

Alternative Solutions

PESTLE analysis helps the companies to manage their organizations and improve the business with a minimum investment of money. In the PESTLE analysis, there are six main factors that a company should follow. The exploration utilizes a mix of two techniques: (1) Qualitative examination is done through the device meeting 37 web-based business specialists in various jobs like Solution Provider, Entrepreneur, and Director, Digital advertising supervisor, Online broker and authorities of state the board organizations on internet-based exchange exercises; (2) Quantitative examination was done through coordinate overviews of 279 retailers and online dealers in the city.

The examining strategy is a blend of microbe improvement (for online retailers) and an advantageous arbitrary strategy (for online vendors). Subsequent to getting the information, we have utilized the Exploratory Factor Analysis (EFA) (Xia, 2021). The size of trust was decided by Cronbach's Alpha and the unacceptable factors were taken out. The following stage was to insist on the scale by investigating corroborative elements (Confirmatory Factor Analysis - CFA), the model trust was decided by composite dependability, focalized legitimacy and discriminant legitimacy. At last, we have investigated a hypothetical model by underlying condition displaying - SEM. Inquiries concerning business social obligation factors incorporate climate, genuineness in business, laborer's, customers and local area commitment. Every one of the inquiries in this part depends on the 5-point Likert scale (from 1 - differ to 5 - concur) because it is many times used to quantify a bunch of explanations of an idea.

The Six main Factors of PESTLE analysis are,

Political Factor: The Political or Lawful Factor is neighborhood or now not set in stone thru Government, General Assessment or Shopper support gatherings. The public government needs to set up a manual measure to control web development. Yet, as the internet encourages global joint attempts, government places of work across international locations need to cooperate to guarantee the well-being of internet business exchanges.

Economical Factor: The fashionable economic development of the kingdom will decide the recurrence of net-based business sporting activities. Business institutions will be conscious of the created economy for web-primarily based exchanges in addition to a non-commercial nation Globalization has empowered the development of a solitary international marketplace for commercial enterprise exchanges (Setiawan *et al.* 2018). It has dwindled social and social contrasts between international locations. This has advanced a subculture of normalizing fees and limiting brokers. Financial variables are of notable importance to commercial enterprise sporting events. Whether it's far away on the web or in a real enterprise, monetary variables can fundamentally affect it (Cao and Cao, 2021). This is when you consider that monetary variables are straightforwardly linked with the enterprise and their impact likewise straightforwardly on the income and advantage of the enterprise. Higher financial movement implies quicker development and better earnings for the net business industry at the same time as decreased financial movement implies the inverse. Along these lines, economic elements could have a direct, furthermore, vast impact on the online enterprise.

Social Factor: Nations are growing moral guidelines that assist suitable utilization of the internet. Any association have to be familiar with those rules and foster their showcasing packages after cautiously considering them. The rising utilization of transportable innovation has impacted online commercial enterprises (Li, 2021). In maximum social orders, portable innovation is as of now highly ordinary, and a larger number are currently concerning flexible gadgets for purchasing and extraordinary functions. Socio-social factors moreover impact the commercial enterprise in changing ways.

Technological Factor: Current superior innovations are growing a leap ahead. It powers associations to re-audit their strategies all the more frequently. The appearance of the web has visible the ascent of online retailers. The finest test for the present commercial enterprise associations is to get to the continued innovation climate and discern which arrangement is exceptional towards the opposition. The mechanical variable is essential as regards the net business industry.

Environmental Factor: Ecological elements likewise have super importance with reference to the net commercial enterprise industry. While the commercial enterprise on the spot ecological effect is extraordinarily low and right around nothing. It centers vigorously around maintainability.

Legal Factor: Any query with the regulation can be an exorbitant challenge and even a retail brand can be targeted on the off chance that they may be not inspired via consistency. To that cease sizable hardware retail manufacturers have separate companies to deal with legitimate issues (Meng *et al.* 2018). Inability to consent can prompt financial misfortune in addition to the loss of photo and notoriety. From painting policies to supportability regulations, there are a few regions where e-retail marks should be careful inconsistency. Besides, these guidelines are exchanged from one u. S. To another from market to market and consistency across areas is sizable. Hence, attributable to enterprises operating below worldwide regulation it is able to spark first-rate anxiety and increment operating expenses. Electronic retail marks ought to likewise be cautious approximately cloth rules and agree.

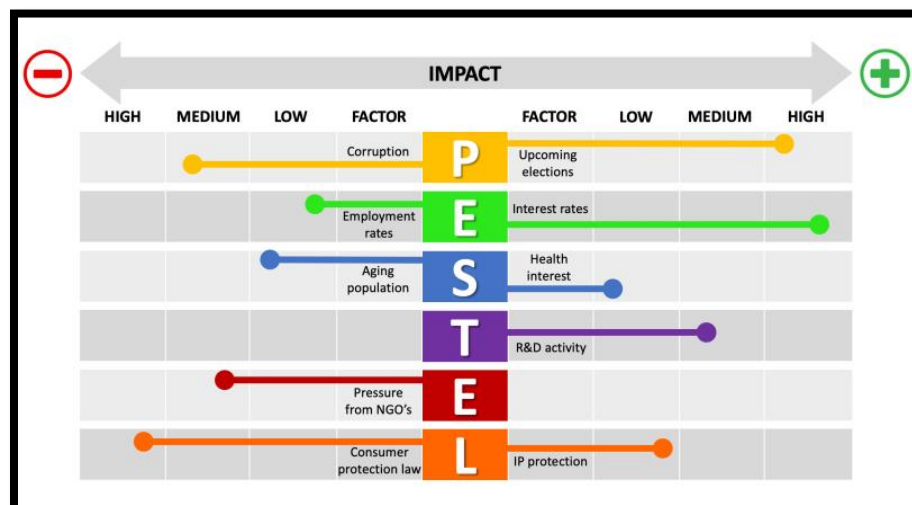


Figure 1: Positive and Negative Impact of PESTEL Management

Source: (Phan, 2021)

Decision-Making Technique

As indicated by the consequences of the information investigation, HR ought to give upgraded ideas to the organization's pay board. For instance, organizations need to keep the harmony between representative pay and work costs. This implies that because of the outside

compensation study, HR can decide the organization's remuneration system to make it more cutthroat to draw inabilities. Plus, it moreover guarantees the overall reasonableness of the organization's interior value thinking about inside work assessments. At the same time, it is essential to check the work cost inside the sensible reach, lessen the compensation consumption however much as could reasonably be expected, and go with insightful choice, prompting understanding of the authenticity, objectivity, relative reasonableness and adequacy of pay the executives.

A Plan for implementing the solutions

The salary problem is common in most companies. In some companies, workers do additional work but though they get the same salary and thus the workers got demotivated and they won't perform well next time. To Solve the Salary Problem companies should apply a piece-rate system (Phan, 2021). Most of the time companies use a time rate system and no matter how good or bad a worker works he will get the same salary every month. But in the Piece rate system, a worker will get the wages according to his work. If he does more work, then he will earn more. On the contrary, if a worker does less work he will earn less. Besides this company can also give the workers bonus according to their work. Thus, workers also get motivated and will produce more work. In This way, A company can arrange its salary system, which is beneficial for both managers and workers.

Communicate the plan to stakeholders

Stakeholders are the backbone of a company. A company should always discuss all its plans with the stakeholders. There are two kinds of stakeholders in a company, Equity stakeholders and Preference stakeholders. The Preference stakeholders have the same power as managers as they invest more than equity stakeholders. So, they have the right to know companies' every action. The piece-rate system and bonus system are very good, but the company needs more investment to give the hard-working workers a bonus. The preference stakeholders can invest more money to improve the company's performance. So, the company should communicate the salary and bonus plan to its stakeholders.

Appropriate monitoring and review techniques

In a Company, the managers, and directors should maintain good coordination with their employees. If somehow the employees get misbehave from their seniors, then their work quality will reduce and that is not good for the company. The manager should behave well with all his employees. The manager should take a good look at his employees and if some employee does not get his salary so is the manager's responsibility to help him and also the company should pay his employee with due time thus there will be no quarrel with salary issue (Phan, 2021). For hard-working employees, the company should arrange a bonus system and beside this company should pay more to those who overwork. To manage the salary system there are so many techniques like the PESTLE method, Taylor differential piece rate system, Merrick differential piece rate system etc. A company can follow any of the above methods, but the most essential thing is that a company should never misbehave with its employees and never reject their remunerations. If an industry made all these things therefore it would increase its performance.

Conclusion

Wages are the principal image of worker status and achievement, and it impacts a representative's mentality. What's more, conduct really. Pay framework development in view of the presentation the board is to utilize the HR the board to further develop the representative's work demeanor and capacity. At the innovation level, it implies managing the issue of productivity; at the monetary level, it ought to tackle the issue of actually. To expand the benefit of the PESTLE Analysis it has to be utilized continually internal an association to empower the distinguishing evidence of any styles which may change into outer dangers outdoor of our reach or may work unrecognized. The impact of specific outer variables might have greater extreme ramifications for a particular division or particular department or to the assignment objectives all in all this way PESTLE Technique can help with explaining why and what's required in distinguishing possible choices to moderate doors gambles. This exam procedure should be utilized in aggregate with exceptional devices like SWOT and other technique apparatuses. The purpose of using the PESTLE Analysis is to guarantee that

nothing key has been noted. The development of staff repayment framework in mild of execution the executives should be worked on constantly via and through. If the workers may be happy with their salary, then they'll additionally supply their satisfaction in work.

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Appendix

Task 1- Role Play

Florina: Good morning, Ramona, I hope you are doing good. I am your assigned manager consultant for the day, and I have invited you to discuss about the problem that you are facing!

Dissatisfied employee: Hello Florina, I Am glad to meet you!

Florina: Kindly let me know the reason for your being here.

Dissatisfied employee: I am not satisfied with the salary that I receive. I think that my work is quite satisfactory, and I should get increased salary.

Florina: OK, what is your expectation regarding your salary. How much do you think your salary must be raised?

Dissatisfied employee: At the moment, I am getting 9p/h as I have been working mode for the last few months and the workload has also increased, so I am expecting a minimum increase of 10p/h.

Florina: OK, Ramona let me explain you, I am sure you are aware of the impact of PESTLE factors, also known as PESTLE analysis which is an effective framework that helps in analyzing the entire macro environment effectively. It helps in analyzing the impact of various factors upon the organization. The entrepreneurs and the managers make use of this tool for identifying the various factors that can impact an impact upon business operations in

a positive or negative manner. As a result, the organizations can analyse various risks that can arise in their functioning and can take various measures beforehand. As all the stakeholder groups are impacted by the operations of the company, it is very essential for the organization to analyse these macro factors. I will present you the PESTLE factors. after going through it, we can arrive at a specific solution

Dissatisfied employee: That sounds great! I have heard that the use of this framework is done in order to analyse the various factors that have an impact upon this problem

Florina: As you can see in the slide-

Slide 1: As a result, the organizations have been induced to offer less salaries to the employees in order to recover their losses. Due to this course, unsatisfactory salaries are being paid to the employees which results in job dissatisfaction among them.

PESTEL ANALYSIS (POLITICAL FACTOR)



(Miller and Poston, 2020).

The **political factor** comprises of various policies with respect to rules and regulations established by the government, taxation related laws among political relations with countries, political conflicts, tariffs and taxes etc. All these factors are related to the growth of businesses if they are positive (Richards, 2021). For example, the businesses have to pay various taxes that are imposed upon them by the government. In the United Kingdom, immense political stability exists. However, the occurrence of Brexit has created various uncertainties as a result of which, the sales of companies have reduced significantly among the European Union countries.

Slide 2:

This is a major cause of payment of unsatisfactory salaries. Also, the payment in foreign currency and constant changes in business cycle impacts the businesses and further leads to payment of reduced salary to overcome the losses.

PESTEL ANALYSIS (ECONOMIC FACTOR)

•The **economic factors** comprise of unemployment rate, economic growth, cost of living, wage and raw material rate, generation of revenues by the company, contribution towards gross domestic product etc. In the United Kingdom, these factors are very positive. However, a limitation is that the impact of COVID-19 pandemic has been immense upon the businesses due to which, the sales have been reduced as a result of which they have been offering reduced salaries to the employees (Soergel 2018).



(Odozi, et al., 2022).

Slide 3:

As a result, it has resulted in dissatisfaction among the employees, and they are not satisfied with the salary that they are getting (Sproul, 2018)

PESTEL ANALYSIS (SOCIAL FACTOR)



•The **social factors** comprise of beliefs of the society, values, attitudes and perceptions of the population, cultural preferences etc. In the United Kingdom, the employees expect to receive good amount of salary based on their qualification and market rates prevailing with respect to specific job positions. Also, the customers expect the companies to provide products and services to them at affordable costs and hence, the companies in order to provide the services and products at affordable prices try to reduce the cost of production by providing unsatisfactory salaries to their employees.

(Özoenel, 2018).

Slide 4:

Also, it is seen that, the technology is reducing human resources and hence, many of the businesses are providing less salaries to the human resources as the demand has reduced and has been replaced using modern technology. This is creating satisfaction among the employees, and they are getting unsatisfactory salary

PESTEL ANALYSIS (TECHNOLOGICAL FACTOR)

•The **technological factors** comprise of advancement and development of technology, effective utilisation of technology and its use for enhancing profitability of the business. These technologies comprise of machine learning, artificial intelligence, data analysis, data mining etc. In the United Kingdom, modern technologies are utilised by the companies as a result of which, they are able to operate efficiently (TAHIRI, et al., 2018).



(Rahman, 2019).

Slide 5:

However, the various organizations operating in United Kingdom try to comply with various laws and regulations of the country in order to save themselves from fines, loss of reputation and punishments (Aylward, 2020).

PESTEL ANALYSIS (LEGAL FACTOR)



•The **legal factors** impacting a company comprises of various rules and regulations with respect to taxation, reservations and quotas, import and export etc. The companies have to comply with these laws and regulations otherwise they will have to pay fines and penalties. Also, the employees of the company must follow various laws and regulations and various penalties are imposed upon them as well. In the United Kingdom, the companies have their own rules and regulations and the employees are penalized if they do not function as per the company rules and regulations.

(Richards, 2021).

Slide 6:

The companies operating in the United Kingdom make sure that these laws and regulations are effectively complied, and their inclusion also expected to comply with all these laws effectively (Sheva, 2019).

PESTEL ANALYSIS (ENVIRONMENTAL FACTOR)

Moreover, the **environmental factors** comprise of various laws and regulations with respect to the environment such as energy consumption last, recycling act, corporate social responsibility laws etc.



(Soergel, 2018).

Florina: We are aware of the impact, cause and effect off the problem. We know that an unsatisfied employee acts as a limitation for the organization because he will not contribute effectively towards attaining organizational goals. It increases the challenges that an organization faces. The unsatisfied employee is not satisfied with the salary that I am being offered and it can lead to various consequences such as reduced productivity, reduction in moral, exit from the organization etc.

There are several causes and effects that the complex problem of unsatisfactory salary creates. These can be discussed as follows-

I. Reduces morale and motivation Ineffective functioning. List satisfaction- It hampers the organizational culture Reduced growth opportunities. Lack of efficiency in productivity- When the employee becomes dissatisfied due to inappropriate salary paid to him or her, the productivity reduces, and it has a negative impact upon organizational productivity.

High rate of employee turnover- This leads to increased employee turnover and the organization has to hire new employees constantly which increases its costs of hiring and recruitment. I hope that you understood the pestle analyses and the fact that we are aware of the negative impact of an unsatisfied employee.

Dissatisfied employee: Yes, I have understood what you are trying to explain. But I am facing many difficulties, and this raised will help me. Thank you for clarifying my all queries and understanding my problem. What is the solution that you have arrived at?

Florina: I have analyzed your work records and performance records. I have seen considerable improvement in your work. I am considering a raising of 9.50p/h by taking into

consideration the pestle analysis and this is the maximum that we can offer. I hope you will agree, and I will assure you that we will discuss your salary more often.

Dissatisfied employee: I agree. This would be ok for me. Thank you for listening and solving my problem.

Florina: It's my pleasure. If you are attempting any problems, please feel free to contact me.