

PROBLEM SOLVING

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Introduction

This report is based on how to deal with real business world problem with reference to Tesco. Tesco is the largest retail shop in UK established in 1919 by Jack Cohen. Also, it is the third largest retailer in the world. There are 6,553 stores in different locations around the world and more than 460,000 employees are working under the leadership of CEO John Allan. Tesco has different subsidiaries like Tesco Bank, Tesco Mobile, Tesco Ireland, Tesco Kipa etc (Tesco.com, 2017). In this assignment the focus point is Tesco's problem identification and means of solutions. The first task talks about how to identify problem and how to set solutions for them. Second task deals for key influential factors of Tesco and how they impact Tesco. Third task deals with employee behavior and final task deals with implication of technology at business organization like Tesco.

Part 1:

1.1 Define a problem, the stages of a problem, how problem can affect psychologically on human health. Give examples of simple and complex problems in selected organization

According to (Birkinshaw, 2004) A problem is deviation from the desired outcome or standard or from the expected outcomes. This problem can be related with the business goal setting of Tesco or the implication of the business plan of Tesco. A problem can be in different stage like- simple problem which is so much straightforward to solve by following structured form and motivation. Another stage is known problem which needs to solve by thinking critically ins and outs of the problem. Moreover, problem can be known and then organization just needs to turn the problem into opportunity by reframing the problem.

Stages of problem solving

Identify the problem: The first task is to identify what is actually going wrong and then the problem should break down into different parts like- situation, goals and obstacles (Birkinshaw, 2004). It means organisations need to find out whether the particular problem is related with the goal of the business or it's just an obstacle in achieving that goal.

Brainstorming the problem: At this stage, main task is to collect all the ideas from every level of the organization regarding the thoughts of the employees so that the best possible solution can pick from many possible solutions.

Assessing problem solution: All the possible ideas are justified with their advantaged and disadvantages. This process helps to identify the best possible solution of the problem.

Choosing the best possible solution: The best possible solution will be helpful for the organisation and the solution should also achievable for the executives.

Executing the solution and carry out the plan: Here, solution is broken down into small part so that every department and everyone can contribute according to their respective task. Solution should be specific, realistic, clear, understandable, and satisfactory (Jeyarathmm, 2008).

Review the outcomes: Finally, solution is reviewed by asking questions like- Was the solution successful? Did it have a positive impact? Were there any disadvantages of the solution? And finally, it is monitored carefully.

Psychological impact of problem on human health

Problem has three direct impacts on human body and mind namely- distorted reactions, pressure point symptoms and chronic distress. At the time of heavy pressure people can react abnormally by their body and emotions which lead to problem in normal lifestyle (Jeyarathmm, 2008). Due to pressure he/she can show some emotional dissonance like- overreactions, mental distress etc. and finally, chronic distress can lead to break down of concentration from the normal life of the person.

Different problems at Tesco

Problem can be two types namely- simple problem and complex problem. Simple problems at Tesco can be IT problem, technical disruptions etc. And, complex problem can be decrease in customers visit is stores and change in market trend which can ultimately change the competitive structure of the grocery industry which leads to shut down of stores in high street.

1.2 What is a critical thinking, analyse the key steps of critical thinking. How critical thinking and innovation can assist at work place for tackling the identified problems

Barry K. Beyer (1995) states that critical thinking means making clear and reasonable judgment regarding an issue. To be successful in critical thinking one needs to be knowledgeable and scientific.

There are six steps in critical thinking; firstly, knowledge regarding the problem will help to solve the problem more efficiently. Secondly, comprehensive data has to be collected aligned to the problem and those data can be collected from different sources like- primary and secondary source. Thirdly, resources are engaged with the solution to find out a better way out of the problem. 'Mind Map' is used to analyses the problem and to build relationship between information and the problem (Appannaiah, Narayana Reddy and Ramanath, 2009). Fourthly, at this stage the impact of the solution on the overall organization is justified by using cause effect analysis. Fifthly, the decision regarding how to address the problem is taken here by analyzing

the solution by using SWOT analysis of the solution. And finally, the required step is taken to deal with the problem and the execution part of the solution is start here.

Critical thinking and innovation in solving problems in Tesco

Firstly, the simple problem of IT disruption can be solved by structured solution without much thinking about the problem as there are IT expert who provide 24/7 IT solution in any kind of problem, so it is beneficial for Tesco to consult with those service provider and take immediate actions regarding the problem (Howard, 2011). Secondly, change in market trend is a great problem for Tesco so there needs critical thinking and decision making. As a leading retailer of UK, it has 28% market share but market condition and buying pattern of the consumers are changing rapidly so Tesco needs to find out the specific cause of this change then they need to collect data and manage resources to find out solution of this problem. Then Tesco needs to analyses the problem by taking data into consideration and then possible solutions should synthesis by using SWOT analysis and finally should implement the solution to cope with the market trend in grocery industry.

Part 2:

2.1 Identify the key influencing factors to the organisation with brief explanation of each component

Political factors: Right now, political turmoil is the most influential factor for Tesco in UK as UK is going through a historic change in political arena. After the Brexit referendum in 2016 the connection with the other European Countries becomes more transparent and unclear (News, 2017). Tesco CEO Dave Lewis says, "A no deal scenario, if there were to be tariffs, then actually that could impact the price of food." He also mentioned that price can be squeezed for Brexit which can lead to profit reduction of this grocery.

Economic factors: Economic factors like- interest rates, household income, unemployment rates all have direct impact on Tesco's sales figure. It has seen that disposable income of British consumers quarter by quarter increases by 1.9% and reaches to GBP 330.5 billion in June of 2017 (News, 2017). It infers a great potential in future sales increase of Tesco as consumers are becoming more confident.

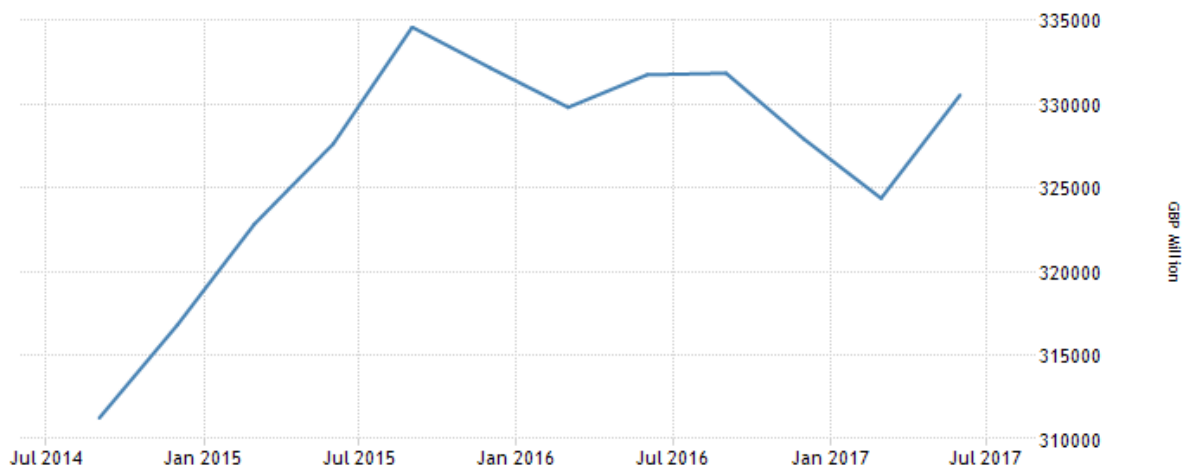


Figure: Disposable personal income of UK consumers

Source: (TradingEconomics, 2017)

Social factors: a rapid social change is going on across the world and within the consumers buying habit as well. Consumers prefer to make build shopping and one stop service to Tesco needs to include more and more non-food items in their shelves which is a great potential for Tesco as it will increase sales for Tesco (Tradingeconomics.com, 2017). Another change is obvious in young generation as they are getting more conscious about their health so demand for hygienic foods is increasing, and Tesco can capitalize that opportunity.

Technological factors: As technology is booming in grocery market in UK so Tesco needs to adopt those technological changes (Tradingeconomics.com, 2017). One of the most important change is online sales through apps and website so Tesco needs to ensure speedy delivery of those ordered products. Moreover, self-service check out can lead to cost reduction for Tesco.

2.2 Write a letter to line manager about the impacts of (PEST) political, economic, social and technological factors on the organization

All these factors have great impact on business operation of Tesco in recent times. Brexit referendum forced the suppliers of Tesco like- Unilever to push up the price as pound depreciated against US dollar so some of the products price of Tesco increases. This price increase can lead to decrease in sales and market share of Tesco. This can also cut down jobs, shut down Express chain can shift to lower paid managers at Tesco. Economic factors have impact on food price inflation of 1.4% in May 2017 said my Tesco executives (Tradingeconomics.com, 2017). After 2014 scandal Tesco fight back to its momentum by increasing sales growth rate at its high for last seven years.

In case of social changes Tesco needs to adopt new products and services according to change of customers taste and trend. Online presence should increase as people are getting busy and try to shop by sitting on the home, so Tesco needs to make home delivery faster (Tesco.com, 2017). Finally, Tesco should go for automation where possible to reduce cost and to increase efficiency of the store operation.

Part 3:

3.1 What is 'Employee Behaviour' and describe the two main types of employee behaviour. Explain briefly the key influencing techniques of the management of managing the behaviour of employees.

According to (Ivancevich and Konopaske, 2013) Employee behavior is certain types of reactions of employees at work. It is important to maintain good employee environment not just to get appreciation but also for maintaining a good work environment. There are two types of employee behavior namely- task behavior and counterproductive behavior.

Firstly, task behavior involves doing the job in the right way and within the deadline. It is basically job focused behavior where employee shows focus just on job and concentrate on the target of the job. This kind of individual carry task closely with the client and customers, train the fellow workers and try to complete the task within time and with minimum error. On the other hand, counterproductive work behavior indicates that individual behave in such a way which harm the organizational productiveness (Fisher, Schoenfeldt and Shaw, 2006).

Key influencing techniques of the management of managing the behaviour of employees

Compliment and acknowledgement: It is one of the best technique to manage the employee behavior in work and outside of work. If management acknowledge the hard work and good effort of the employee then they get motivated and try to accelerate effort to satisfy the management and finally the organization (Van Aswegen and Havenga, 2012).

Equity and equality: Management must maintain equity and equality so that employee dissatisfaction cannot occur, and they think they are equally treated which will shape their behavior in a proper manner.

Monitoring: Managers need to monitor group work by consulting with the team members whether they have any problem or not in doing their job. It will create a sense within the mind of the employee that the employer value the employee.

Part 4:

4.1 How technology has supported the business in general, present the key advantages and disadvantages of using information technology in Tesco

Use of technology is directly related with the performance of the business and it becomes an unavoidable thing for each business organization (Howard, 2011). For getting strategic benefit, all business needs to introduce innovative technology in their business. Today is a world of technological breakthrough so to get into this competitive business environment business organisations like Tesco needs to adopt modern technology. But use of information technology at Tesco has both advantages and disadvantages: (Syed Muhammad Hammad, 2017)

Advantage	Disadvantage
24/7 Online order	Security threat
Increase sales revenue	If hacked, loads of personal data can be leaked
Improve communications	Could diminish the reputation of Tescos

Conclusion

So, in my personal experience it can be said that to solve the problem in business organisation like when I worked in Tesco management I must think about complete feature of the problem and the solution as well. From the beginning of problem identification to the solution execution stage the management must be careful regarding the effectiveness of the solution and how to solve in an efficient way. Tesco management needs to identify the factors their business and what are the influence of those factors. Employee behavior is important for maintaining a congenial work environment. Technology should use after considering advantages and disadvantage of that technology.

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