

PROBLEM SOLVING AND DECISION MAKING

MGT – 312

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MATERIAL PREPARED IN THESE SLIDE ARE MAINLY BASED ON "PROBLEM SOLVING AND DECISION MAKING", JEFF BUTTERFIELD (2013)

ASSIGNMENT 1: HINTS

Q1: Write the problem statement about the above case. Problem statement should include the followings: [400-600 words]
[Marks 4]

- a) Description and summary of the problem
- b) Scope of the problem
- c) Consequences of the problem
- d) The methods for resolving the problem in the above case?

OBJ. 4: DEVELOPING EFFECTIVE PROBLEM STATEMENT

- Describe ideal situation: where you want to be!
- Summarize the problem
- Identify symptoms
- Describe the size, scope of problem
- Identify consequences; costs

HINT

A problem statement is clear, concise description of the problem and the effect you expect from the solution

Guideline	Do	Don't
Purpose	<ul style="list-style-type: none"> - Describe a single problem - Use objective measures 	<ul style="list-style-type: none"> - Address more than one problem - Identify causes (yet) - Assign blame - Describe solutions (not yet ready)
Audience	<ul style="list-style-type: none"> - Provide the problem statement to the responsible person - Involve others who are helping to solve the problem 	<ul style="list-style-type: none"> - Don't give the problem statement to everyone in the company!
Content	<ul style="list-style-type: none"> - Identify the ideal situation from the point of view of your audience - Describe the conditions that prevent it - Identify symptoms - Describe size and scope of problem objectively! - Identify real consequences of not doing anything! 	<ul style="list-style-type: none"> - List every condition or symptoms; - Offer opinion about possible consequences; focus on FACTS!

OBJ. 4: AN EXAMPLE OF EFFECTIVE PROBLEM STATEMENT

Problem
Statement

Our company's high operational costs have resulted in a profit margin of 5% only which is below the industry average.

We must reduce costs by 10% next year to improve profitability and remain competitive, avoiding financial risks.

- **Describing the ideal situation:** Reducing costs by 10% to improve profitability.
- **Summarizing the problem:** High operational costs leading to a lower profit margin.
- **Identifying symptoms:** Profit margin below the industry average.
- **Describing the size and scope of the problem:** The specific target of reducing costs by 10%.
- **Identifying consequences:** Risk to profitability and competitiveness if costs are not reduced.

ASSIGNMENT 1: HINTS

Q2:

- a) **Discuss the problem with 5-Why analysis.**
- b) **Draw a cause-and-effect diagram based on the problem of the case?**

OBJ. 5: DETERMINING CAUSES

- Differentiate between symptoms and causes
 - Consider that sometimes you have more than one cause
 - Examples 1:
 - Symptom: Many customers visit my store but few buy from me.
 - Cause: My prices are higher than nearby competitor
 - Example 2:
 - Symptom: Employees have low productivity
 - Possible causes:
 - Unclear job specification/requirements
 - Minimal training
 - Unrealistic Expectations,
 - Etc...
- In complex issues, you may use other techniques for your analysis

OBJ. 5: DETERMINING CAUSES

- **Use the 5whys! Why? Why? Why? Why? Why? ☺**

1- Why is employee productivity low?

Because employees are **not performing tasks effectively**.

2- Why are employees **not performing tasks effectively**?

Because they **lack the necessary skills and knowledge** to complete their tasks efficiently.

3- Why do they lack the **necessary skills and knowledge**?

Because they have **not received adequate training** for their roles.

4- Why have employees **not received adequate training**?

Because the company **does not have a structured training program** in place for new or existing employees.

5- Why does the company **not have a structured training program**?

Because the company didn't want to invest in employee development, underestimating the long-term impact on productivity.

OBJ. 5: DETERMINING CAUSES

- **REAL EXAMPLE FROM A STUDENT SUBMISSION – With mistakes.**

1- Why: Sheema and Hala are experiencing conflict.

Due to differing perceptions of their roles and responsibilities

2- Why They have differing perceptions of their roles and responsibilities?

Because the initial hiring process and subsequent leadership arrangement .

3- Why There is a lack of clear communication and understanding between them?

Because the lack of clear communication protocols and established expectations.

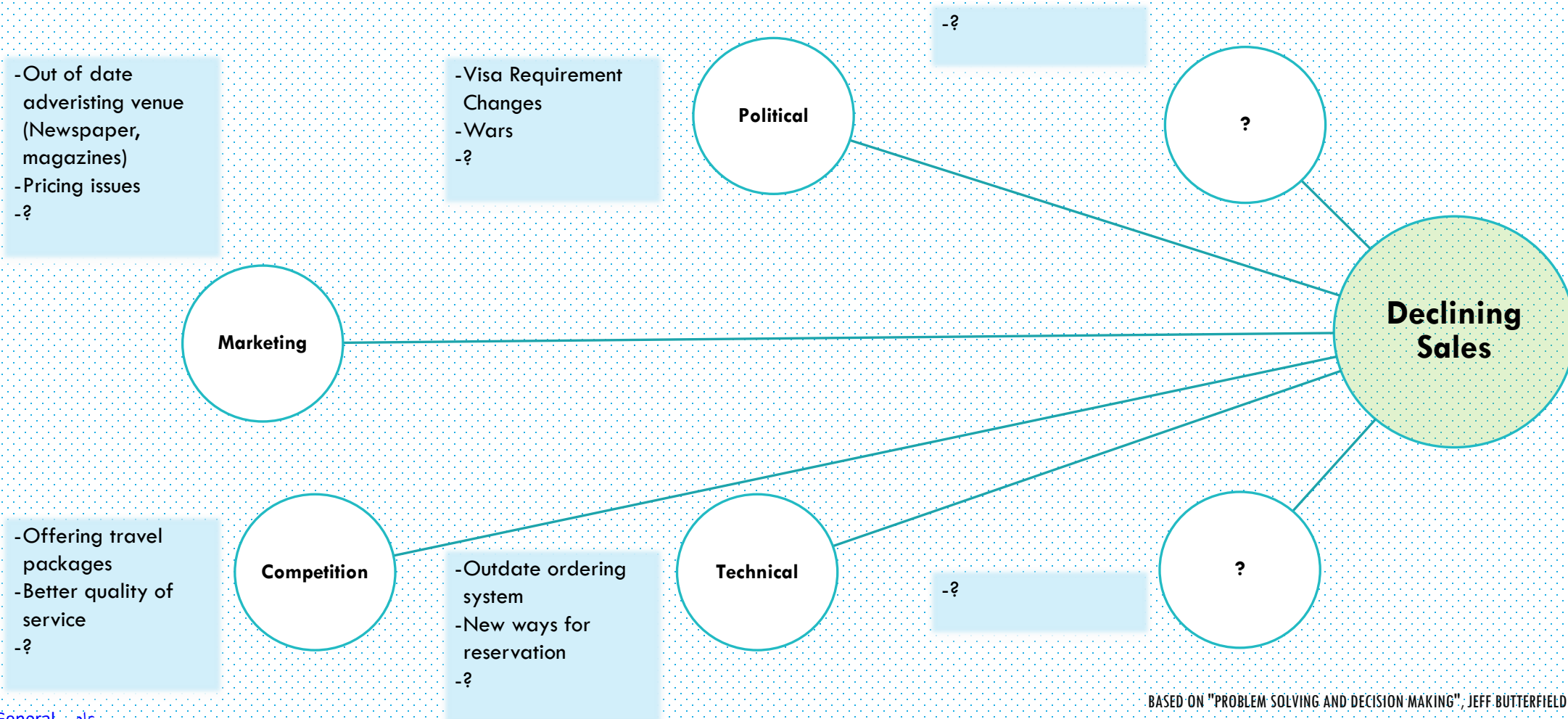
4- Why The initial hiring process and subsequent leadership arrangement may have contributed to the conflict?

Because The differing expectations set during the hiring process and the imposed joint leadership arrangement may have created tension and conflict.

5- Why There may be underlying personality differences or power struggles between the two individuals?

Because the company didn't want to invest in employee development, underestimating the long-term impact on productivity.

CAUSE AND EFFECT DIAGRAM (SAMPLE)



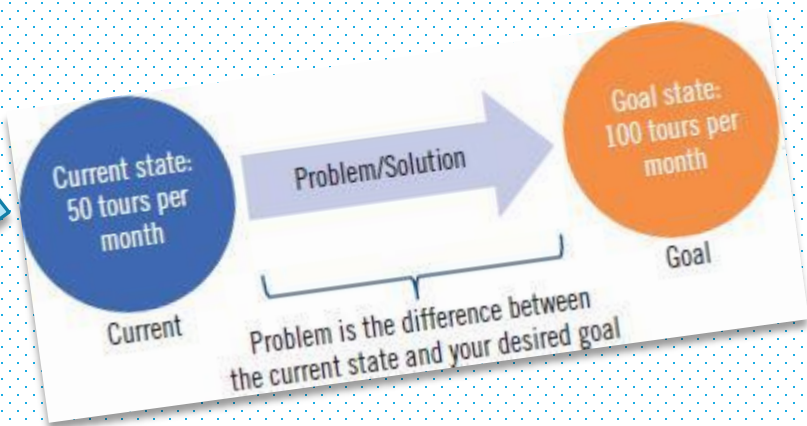
ASSIGNMENT 1: HINTS

Q3: If you are consultant and asked to solve the problem,

- a) how will you solve the problem of case?
- b) What are the steps you will follow to solve?

OBJ. 1: UNDERSTANDING PROBLEM SOLVING

- Defining Problem
- You are a problem solver!
- Recognize Problems
- Being intuitive vs. Systematic
- Make decisions



Do's & Don'ts

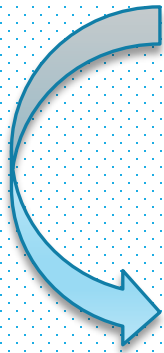
Guideline	Do	Don't
You are a problem solver!	Feel confident you can do it!	Give up easily
Recognize Problems	Problems are opportunities in disguise! Define the problem and redefine it	<ul style="list-style-type: none"> - Ignore problems until they get out of hand! - Stick to your problem definition
Select an Approach	Intuition for simple problems Systematic for complex ones	<ul style="list-style-type: none"> - Create details procedure that is too difficult to complete - Jump to conclusions
Make decisions	Consider all the alternatives!	<ul style="list-style-type: none"> - Make rash decisions - Second guess yourself

Problem Solving Steps



OBJ. 10: DEVELOPING ALTERNATIVES

- Think Creatively, avoid common ideas, and assumptions
- Brainstorm ideas
- Ask others for advice
- Develop a Mind Map



Graphic Source: mindtools.com



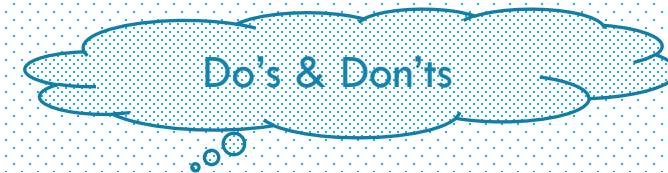
Guideline	Do	Don't
Think creatively	Generate as many ideas as possible Brainstorm new approaches	Get too attached to your ideas Settle for normal approach
Ask others	Collective wisdom is powerful Consider opinions of others	Think you that you need to solve issues alone or work alone
Document Ideas	Keep track of ideas Refer to ideas later	Forget ideas Don't limit your self to one or two ideas

OBJ. 11: EVALUATE OPTIONS

- **Choose a method**
 - List of Advantage and Disadvantage, matrix for evaluation (next example), voting, etc...
- **Select a criteria**
 - Which factors are most important in your decision?
- **Weigh your criteria**
 - How important are the factors to you?
- **Rate the alternatives**
 - Provide score for each factor
- **Make a decision**



Guideline	Do	Don't
Examine criteria	<ul style="list-style-type: none"> - Identify criteria (costs, time, usefulness) - Choose more than one criteria - Assign weight 	<ul style="list-style-type: none"> - Settle on only one criterion - Assign the same weight, unless objectively makes sense
Rate alternatives	<ul style="list-style-type: none"> - Rank alternatives based on the criteria and weight 	<ul style="list-style-type: none"> - Use a single evaluation method for complex problems
Make a decision	<ul style="list-style-type: none"> - Choose the best alternatives - Select good options instead of waiting for dream solution 	<ul style="list-style-type: none"> - Nothing's perfect, so don't worry - Make a decision you are not comfortable with



OBJ. 12: IMPLEMENTING THE SOLUTION

- Get approval from the problem owner
- Develop a plan
- Notify stakeholders
- Anticipate and prepare for opposition
- Take action

Guideline	Do	Don't
Communicate with others	<ul style="list-style-type: none"> - Involve problem owners - Describe the steps you followed (show your systematic way!) - Communicate clearly and frequently 	<ul style="list-style-type: none"> - Proceed if problem owners not comfortable - Withhold information to ensure all agree
Develop a plan	<ul style="list-style-type: none"> - Outline the steps for the solutions - Identify resources you need - Draft a realistic schedule 	<ul style="list-style-type: none"> - Underestimate time you need for each step - Proceeding if plans not meeting objectives
Anticipate opposition	<ul style="list-style-type: none"> - Build support for the solution - Continue to communicate (if you have planned carefully, and listened to opinions of others in planning stage, you wouldn't have strong opposition) 	<ul style="list-style-type: none"> - Ignore opposition
Take action	<ul style="list-style-type: none"> - Start implementing immediately after deciding 	<ul style="list-style-type: none"> - Inaction can ruin your plans!

OBJ. 13: MONITORING & MANAGING THE SOLUTION

- **Select appropriate level of monitoring**
 - Complex Problems: Monitor closely and regularly (e.g., daily/weekly reports).
 - Simple Problems: Occasional monitoring is sufficient, but don't neglect it entirely.
- **Involve others with process**
 - Engage stakeholders, team members, and other key individuals to assist in monitoring.
 - Regular check-ins with the team help ensure that all angles are covered.
- **Be persistent:**
 - Consistent monitoring is essential. Don't assume that everything is going smoothly
- **Make correction promptly:**
 - Address any problems as soon as they arise.