

Business Skills and Performance Management

Lecture Title:
Problem Solving For Managers



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Human Resources Management

Learning Objectives

- Apply structured problem-solving approaches (Root Cause Analysis, Design Thinking) to managerial issues
- Critically evaluate solutions in terms of feasibility and strategic fit
- Demonstrate the ability to justify managerial decisions under scrutiny.



Group Discussion

Why is problem solving a core managerial skill?"



Problem Solving as a Key Managerial Skill

Reason	Explanation (for slide clarity)
1. Navigating Complexity	Managers face ambiguous and uncertain situations — effective problem solving helps them bring structure and direction.
2. Linking Strategy and Execution	Translates strategic goals into actionable solutions that align with organizational priorities.
3. Driving Innovation & Improvement	Encourages creative thinking and continuous improvement through methods like Design Thinking.

Problem Solving as a Key Managerial Skill

Reason	Explanation (for slide clarity)
4. Enhancing Decision Quality	Structured approaches reduce bias, identify root causes, and make decisions more transparent and defensible.
5. Building Leadership Credibility	Demonstrating clear, logical problem solving earns trust and confidence from teams and stakeholders.
6. Enabling Organizational Learning	Each solved problem creates learning that strengthens the organization's adaptability and resilience.

Problem Solving Models



Intuitive Vs. Structured Problem Solving

Aspect	Intuitive Problem Solving	Structured Problem Solving
Basis	Experience, judgment, “gut feel.”	Systematic analysis using data and frameworks.
Speed	Fast — useful in time-pressured contexts.	Slower initially — focuses on diagnosis before action.
Strengths	Leverages tacit knowledge; flexible; creative.	Provides transparency; reduces bias; replicable.
Limitations	Prone to cognitive biases, overconfidence, and heuristics.	Can feel rigid; may stifle creativity if overused.
When to Use	When problems are familiar, low risk, or require rapid response.	When issues are complex, high-stakes, or strategic.

Root Cause Analysis

Root cause analysis is used to identify the *underlying causes* of a problem rather than treating surface symptoms.

The 5 Whys Technique

- Ask “Why?” repeatedly (typically five times) to move from symptom to root cause.
- Example:
 - *Problem:* High employee turnover.
 - Why? → Poor morale.
 - Why? → Lack of recognition.
 - Why? → Managers rarely give feedback.
 - Why? → No feedback system.
 -  *Root Cause:* Absence of structured feedback process.



Root Cause Analysis

1. Fishbone (Ishikawa) Diagram

1. A visual tool categorizing potential causes under major “bones” such as: People, Process, Equipment, Environment, Materials, Management.
2. Helps teams brainstorm and visualize multi-factor causes.

Strengths:

- Encourages deep analysis and data-driven reasoning.
- Effective for operational, quality, or process-based problems.
- Supports a culture of continuous improvement.

Limitations:

- Reactive — focuses on existing issues rather than opportunity finding.
- Assumes problems have identifiable, linear causes.



Design Thinking

Purpose: To generate *innovative, human-centered solutions* through empathy and experimentation.

Five Phases (nonlinear):

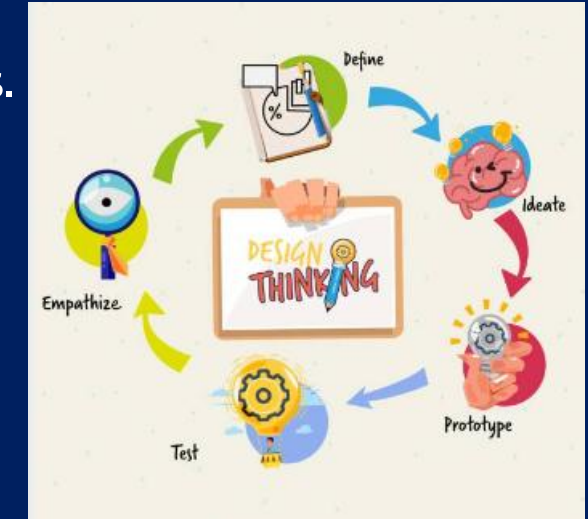
1. Empathize – Understand user/stakeholder needs through observation and interviews.
2. Define – Synthesize insights into a clear problem statement (“How might we...?”).
3. Ideate – Generate diverse ideas without immediate judgment.
4. Prototype – Build simple, low-cost versions of solutions.
5. Test – Gather feedback and refine.

Strengths:

- Encourages creativity, collaboration, and empathy.
- Excellent for ambiguous or ill-defined challenges (e.g., customer experience, product/service redesign).
- Promotes experimentation and learning.

Limitations:

- Less suited for highly technical or compliance-driven issues.
- Can be time-intensive if not well-facilitated.



Ideal Use of Frameworks

Context / Problem Type	Root Cause Analysis (RCA)	Design Thinking (DT)
Nature of Problem	Well-defined, process or performance issue	Ambiguous, user or innovation challenge
Goal	Diagnose and eliminate underlying causes	Discover and design new possibilities
Approach	Analytical, data-driven	Empathetic, exploratory
Tools	5 Whys, Fishbone Diagram, Pareto Analysis	Empathy Maps, Brainstorming, Prototyping
Examples	Reducing production delays, improving quality control	Enhancing customer journey, redesigning onboarding experience

Group Exercise – Root Cause Analysis

Refer to the worksheet provided

-Using the Fishbone Diagram, identify *potential causes* of low engagement under the following categories (the “bones” of the fish):

- People (Leadership & Management)
- Process (HR, Performance Management)
- Work Environment
- Technology/Tools
- Culture/Values
- Strategy/Structure

- Answer follow up questions
- Present to the rest of the class



Evaluating Managerial Solutions



Group Discussion

Why do you think that evaluation is important in Managerial Problem-Solving?



“Effective management requires not only generating solutions but subjecting them to systematic evaluation to ensure they are feasible, aligned with strategy, and sustainable in practice.”
— Daft, R. L. (2021)



Evaluation in Managerial Problem Solving

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Reason	Explanation	Illustrative Example
Avoids Superficial Fixes	Prevents treating symptoms instead of underlying causes.	Training staff won't help if the real issue is unclear job design.
Ensures Strategic Alignment	Keeps decisions consistent with vision, goals, and priorities.	Cutting costs may conflict with a "customer-first" strategy.
Optimizes Resource Use	Directs time and money toward feasible, high-impact actions.	Choosing scalable solutions avoids waste and rework.
Anticipates Risks & Resistance	Identifies potential implementation barriers early.	Recognizing stakeholder pushback allows proactive management.
Builds Decision Credibility	Strengthens justification and accountability.	Leaders can defend choices with evidence and logic.

Key Evaluation Criteria

Criterion	Description	Example (Declining Employee Engagement Case)
Feasibility	Can we realistically implement this solution with available time, budget, skills, and infrastructure?	Implementing new feedback software may be feasible if IT capacity exists; a full culture change program might not be.
Cost–Benefit	Do the expected benefits justify the investment (time, money, opportunity cost)?	A small investment in manager training could yield big engagement gains — high ROI.
Strategic Fit	Does it align with our organization's vision, goals, and competitive priorities?	A mentorship program aligns with a “people-first” strategy; outsourcing HR may not.

Key Evaluation Criteria

Criterion	Description	Example (Declining Employee Engagement Case)
Stakeholder Acceptance	How likely are key groups (employees, leaders, customers, unions, etc.) to support or resist this?	Employees may welcome recognition schemes but resist micromanagement tools.
Risk / Uncertainty	What could go wrong? What are the unintended consequences or dependencies?	Manager training may not sustain without ongoing reinforcement; risk of reverting to old habits.

Decision Matrix

A Decision Matrix (also called a *Decision Grid* or *Weighted Scoring Model*) is a structured tool that helps managers compare and evaluate multiple solution options against a set of defined criteria.

How It Works

1. List possible solutions (e.g., three alternative actions).
2. Identify evaluation criteria — such as *feasibility*, *cost-benefit*, *strategic fit*, *stakeholder acceptance*, and *risk*.
3. Assign weights to each criterion to reflect its importance.
4. Score each solution (e.g., 1–5) for how well it meets each criterion.
5. Calculate weighted totals to identify the most balanced, strategic option.

Purpose

- Encourages objective, transparent decision-making
- Reduces bias and emotional influence
- Ensures alignment with strategic priorities and feasibility constraints

Decision Matrix

Option	Feasibility (30%)	Cost-Benefit (30%)	Strategic Fit (40%)	Total
A	4	5	5	4.7
B	3	3	5	3.9

According to this Decision Matrix Option A is preferred due to higher overall strategic and practical value.

The Decision Matrix transforms complex managerial judgment into a structured, defensible process, helping managers justify why a chosen solution is the best fit.



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Group Exercise – Decision Matrix

- Work with your respective groups.
- Refer to the worksheet provided.
- Create a decision matrix based on the solutions provided.
- Present to the class.



From Evaluation to Generating Solutions

Effective managers balance analysis with creativity — evaluating wisely, but also imagining better possibilities.

- Managers don't just assess what's wrong — they design what's next
- After evaluation, the next challenge is to **generate innovative, human-centered solutions**
- This shift moves thinking from **analytical judgment** to **creative problem-solving**
- Empathy, experimentation, and collaboration become key to driving meaningful change



Introduction to Design Thinking

Design Thinking is a human-centered, creative approach to problem solving that focuses on understanding users, redefining problems, and developing innovative solutions through refining experimentation.

Core Principles:

- 💡 Empathy: Understand the people you're designing for
- 🧭 Define: Frame the right problem to solve
- ☁️ Ideate: Generate many creative possibilities
- 🧪 Prototype: Turn ideas into tangible models
- ↻ Test: Learn from feedback and refine

“Design Thinking helps managers move from fixing problems to creating possibilities.”



The 5 Stages of Design Thinking

Stage	Purpose	Key Activities / Methods	Managerial Application
1. Empathize	Understand users' needs, emotions, and experiences.	Interviews, observations, empathy maps, user stories.	Listen to employees/customers to uncover real pain points behind issues.
2. Define	Synthesize insights into a clear problem statement.	Group insights, identify patterns, craft " <i>How Might We</i> " questions.	Clarify the true managerial challenge — not just symptoms.
3. Ideate	Generate a wide range of creative solutions.	Brainstorming, mind mapping, SCAMPER, team sketching.	Encourage team creativity, challenge assumptions, explore unconventional ideas.

The 5 Stages of Design Thinking

Stage	Purpose	Key Activities / Methods	Managerial Application
4. Prototype	Turn ideas into tangible, low-cost models or pilots.	Mock-ups, role plays, process simulations, pilot testing.	Test new initiatives or processes on a small scale before full rollout.
5. Test	Gather user feedback to refine and improve solutions.	Feedback sessions, trials, observation, iteration.	Learn from results, adapt quickly, and build continuous improvement.

Group Exercise – Design Thinking

- Work with your respective groups.
- Refer to the worksheet provided.
- Apply the first three stages of Design Thinking (Empathize → Define → Ideate) to the challenge provided.
- Discuss and present to the class.





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