**Definition of Problem**

- A “problem” does not necessarily mean that something is seriously wrong with a current situation that needs to be corrected immediately.
- **A problem could also indicate**
  - an interest in an issue where finding the right answers might help to improve existing situation

**Broad Problem**

An entire situation where one sees a possible need for research and problem solving.

- Currently existing problems
  - Training programs did not come out to be effective as anticipated
- Areas of improvement
  - Can training effectiveness be improved
  - A conceptual or theoretical issue that needs to be tightened up
  - How can we define training effectiveness
- Some research questions that need to be answered empirically
  - How does training effect worker productivity
Narrowing Down the Broad Problem

- Preliminary Data Collection
- Literature Survey

Problem Definition

- A clear, precise(exact) and succinct(brief) statement of the question or issue that is to be investigated with the goal of finding an answer or solution.

Examples for Broad Problem Areas

- The sales volume of a product is not picking up
- The newly installed information system is not being used by managers
- Inventory control is not effective
- Mistakes have increased in clerical jobs
- Flow of written communication is slow

Preliminary Data Collection

- Background Information on The Organization
  - The origin and history of the organization
  - Size in terms of employees, assets, sales etc.
  - Purpose and Ideology
  - Location—regional, national etc.
  - Resources (including human resources)
  - Interdependent relations with other institutions
  - Financial Position
Preliminary Data Collection

Information on Structural Factors and Management Philosophy

• Roles and positions
• Extent of specialization
• Communication channels
• Control systems
• Coordination and span of control
• Reward systems
• Workflow systems

Perceptions, Attitudes and Behavioral Responses

• Nature of Work
• Workflow interdependencies
• Superiors in the organization
• Participation in decision making
• Client systems
• Opportunities for advancement
• Organizational attitudes toward employees family responsibilities
• Involvement with community

Secondary Data

Data gathered and recorded by someone else prior to and for a purpose other than the current project

Is often:
- Historical
- Already assembled

Advantages of Secondary Data

- Inexpensive
- Obtained Rapidly
Disadvantages of Secondary Data

- Uncertain Accuracy
- Data Not Consistent with Needs
- Inappropriate Units of Measurement
- Time Period Inappropriate (Dated)

Literature Review

- In order to eliminate the risk of “reinventing the wheel”
- Documentation of comprehensive review of published and unpublished work from secondary sources of data in the areas of specific, interest to researcher.
  - Important variables that are likely to influence the situation are not left out
  - A clearer idea emerges as to what variables would be most important to consider (parsimony)
  - The problem statement can be made with precision and clarity
  - Testability and replicability of current research is enhanced
  - The problem investigated is perceived by scientific community

Literature Review

- A clear and logical presentation of relevant research work done to identify and highlight important variables and to document significant findings from earlier research which will serve as a foundation for the theoretical framework and hypothesis.
- All relevant information should be brought together in a cogent and logical manner instead of presenting all studies in a chronological order with bits of and pieces of uncoordinated information
- A good literature review should lead to a logical good problem statement

Steps of Literature Review

- Identify relevant sources
  - Textbooks, journals, theses, conference proceedings, reports, newspapers, Internet etc.
- Evaluate the quality of source!
- Extract the relevant information
- Writing up the literature review
APA Style

- **Book by one author**

- **Book by two authors or more**

- **Article in an edited book**

- **Article**

- **Article in a weekly magazine**

- **Article in a newspaper**

- **Government document**

- **Internet Sources**

Problem Discovery: The Iceberg Principle

<table>
<thead>
<tr>
<th>Organization</th>
<th>Symptoms</th>
<th>Problem Definition Based on Symptom</th>
<th>True Problem</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twenty-year-old neighborhood swimming association in a major city.</td>
<td>Membership has been declining for years. New water park with wave pool and water slides moved into town a few years ago. Neighborhood residents prefer the expensive water park and have negative image of swimming pool.</td>
<td>Demographic changes: Children in this 20-year-old neighborhood have grown up. Older residents no longer swim anywhere.</td>
<td></td>
</tr>
</tbody>
</table>
Well Defined Problem Statements

THREE KEY FACTORS OF GOOD PROBLEM STATEMENT

□ Relevant
  ▪ From a managerial perspective
    ▪ Problem exists in an organizational setting
    ▪ An area that a manager believes needs to be improved in the organization
  ▪ From an academic perspective
    ▪ Nothing is known about topic
    ▪ Much is known about topic but the knowledge not integrated
    ▪ Much research available but the result are partly contradictory
    ▪ Established relationship do not hold in current situation

□ Feasible

□ Interesting

IN-CLASS EXERCISES ON BROAD PROBLEM AREA AND PROBLEM DEFINITION

MARKETING
□ 1. The manager of Woodlands Restaurant is concerned about the low customer image of his restaurant.
□ 2. The Dreamland Advertising Agency is wondering why its strategy did not work.

ACCOUNTING
□ 3. Narayan Associates is interested in knowing the implications of high technology in factories, for accounting and auditing procedures and practices.
□ 4. The Rosalin Auditing Company is perturbed about the different interpretations it is getting from the tax administrators and tax accountants.

FINANCE
□ 5. The board of directors of Jankrish Computers is worried about the stagnation of the market price of its shares.
□ 6. Saratoga Supers are perplexed about the low return on their capital investment.

IN-CLASS EXERCISES ON BROAD PROBLEM AREA AND PROBLEM DEFINITION

□ How has the new product affected the sales of the product?
□ Has the advertising message resulted in enhanced recall?
□ How does price and quality rate on consumers’ evaluation of products?
□ What are the components of quality of life?

□ 1. To what extent do the customers of Woodlands Restaurant like the menu, the quality of food, the service, price, and ambiance of the restaurant?
□ 2. Is the message in the most recent advertising of Dreamland Advertising Agency aimed at the right target group?
□ 3. How should the currently standardized accounting procedures (such as depreciation, tax write-offs, etc.) be changed, as factories resort to specialized technology?
□ 4. What specific items in the balance sheet create misunderstandings and conflicts between those who assess the tax and those who prepare the tax returns and how can they be resolved?
□ 5. To what extent do the following factors contribute to the stagnating market price of Jankrish’s shares: the dividend policy, the growth rate, perceived managerial problems, and the capital market conditions?
□ 6. Is the low return on the capital investment of Saratoga Supers, a function of low sales or high operating expenses?