The Differences Between Problem Solving and Decision Making

By

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From the time you started work, and actually from the time of birth, you have been solving problems. By definition, problem solving involves the process of finding a solution to something that needs to change or a deviation from what you expected to happen. It involves a multistage process for moving an issue or situation from an undesirable to a more advantageous condition and typically involves your answering the following questions:

- What changed, when, and why?
- What is the tangible evidence that you have a problem?
- How can you measure the magnitude of the problem?
- What caused the change?
- Is this change or deviation consequential enough to spend time resolving it?

Once you have the answers to these questions, problem solving requires a series of decisions as people choose from and evaluate alternatives to overcome the obstacle that stand between them and a satisfactory resolution. Numerous methods exist, but there are among the most effective

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The Steps of Reflective Thinking

In 1910 John Dewey introduced the "Steps of Reflective Thinking," a systematic approach to problem solving and a solid foundation for decision making. This sequence creates a kind of "map" of the problem and involves these steps:

- Define or identify the problem
  - What is wrong?
  - What are the symptoms?
  - When did this happen?
  - How big is it?
  - Whom does it affect?
  - What have we already tried?
  - What will happen if we do nothing?

Sakichi Toyoda developed a technique that Toyota Motor Corporation later used during the evolution of their manufacturing methodologies that can help most groups begin the analysis process. The architect of the Toyota Production System, Taiichi Ohno, described the 5 whys method as "... the basis of Toyota's scientific approach ... by repeating why five times, the nature of the problem as well as its solution becomes clear."

Companies and industries beyond Toyota adopted the technique, which and is now used within Kaizen, lean manufacturing, and Six Sigma. The five "why's" have become almost catechistical for many organizations, especially those in manufacturing. When someone presents a problem, the "whys?" begin. Why can't we fulfill that order? Why are we out of stock? Why did we let the inventory get too low? As the questions continue, the group moves close to the core issue, which is "How do we balance the need to respond quickly to customer requests with a need to keep inventory low?" The group's goal, then, is to find a definitive answer but setting the specific criteria the solution will offer.

- Analyze the problem and set criteria for possible solutions
  - What conditions led to the present problem?
  - What criteria mush a satisfactory solution offer?

- Brainstorm possible solutions

- Evaluate potential solutions
  - What do the experts say?
  - What risks and rewards does each possible solution offer?
  - How well do solutions meet the established criteria?
  - How practical is the solution?

- Select the best solution.
  - How we execute this decision?
  - What timeframe makes sense for solving this problem?

The individual decision maker or group can then plan implementation of the best solution. This approach has been modified and questioned through the years, but one principle remains clear: a structured approach to problem solving increases the chances that you and your team will arrive at a workable resolution. Surviving decades of scrutiny, Dewey's approach has stood the test of time because it offers a reasonable start to almost any problem solving sequence. However, it is not without its restrictions. When groups use this technique singly, they too often show a tendency to stop at symptoms rather than digging deeper to root causes. Further, the members' current knowledge and inability to ask the right "why" questions can limit their analysis. Other methods, however, like the 2 X 2 Matrix can challenge the group to go beyond obvious answers and simple solutions.

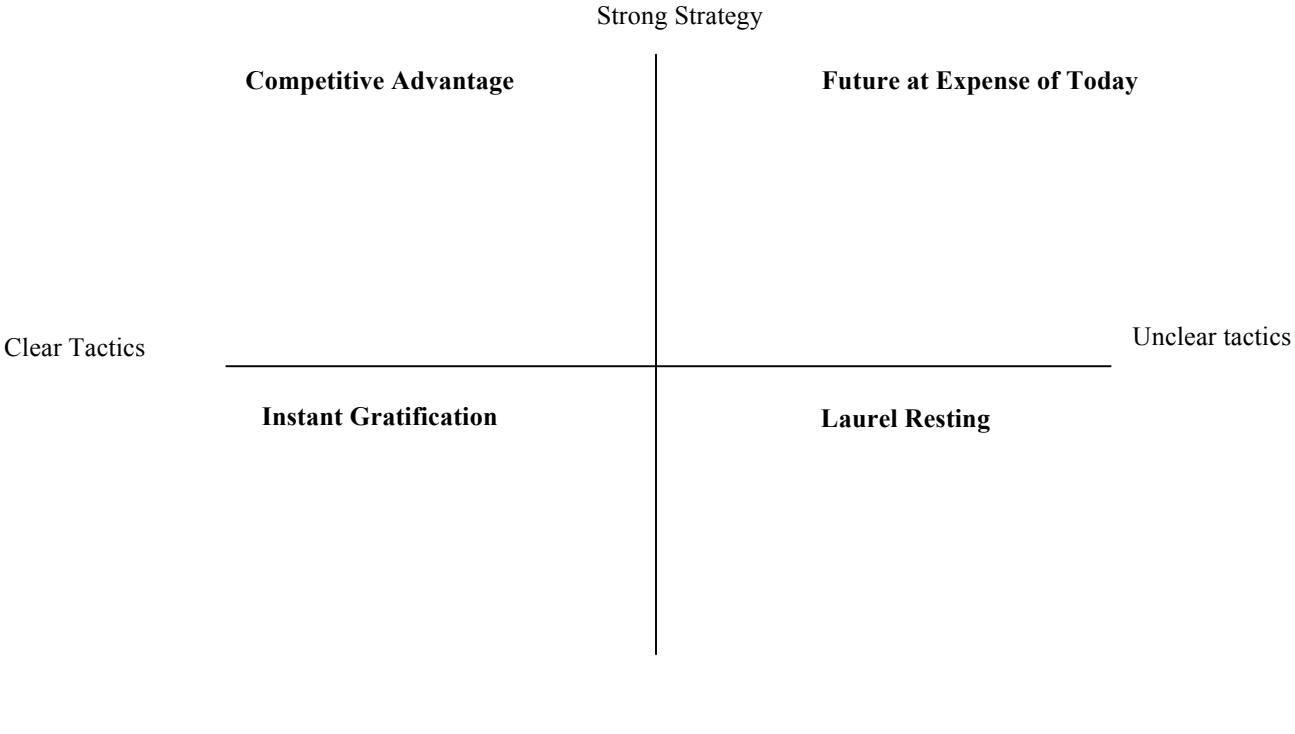
The Magic of the 2 x 2 Matrix

The 2 x 2 matrix represents, perhaps, the most notable analytical tool ever to emerge in business. It has been much-maligned, mistrusted, and misunderstood, however, chiefly because the people using it didn't understand it. Like any other tool, it can only be as good as its least able workman. When tactical thinkers use the 2 x 2 matrix, they find themselves frustrated because once again, they can merely generate a colossal list of stuff

that lacks perspective on the underlying factors that contribute to the problem, or they miss links that connect various principles or phenomena. So, the first step in capturing the magic of the matrix is to include strong strategic, analytical thinker in the exercise.

The purpose of the 2x 2 matrix is to look at two variables influencing something that matters to the organization, like profitability and time. Placing these two on a standard x-y grid gives you the power to organize and marshal problem solving efforts as you analyze the tension between opposing forces. The horizontal axis represents a This / Not This (low/high, past/ present, etc) issue that stands in tension with the vertical axis that characterizes another This / Not This situation. For example, you might want to analyze cost versus benefit, product versus market, or change versus stability. 2 x 2 thinking recognizes the power of exploring competing forces as we challenge ourselves to think at a higher logical level.

Drawing from the work of Kepner Tregoe, I developed the following 2 X 2 matrix to help decision makers better understand how to explore and unearth the inherent tensions between strategy and tactics. The act of focusing on these variables does not simplify the analysis. On the contrary, decision makers can gain deeper understanding of their issues and learn more about their challenges when they break business down to manageable components and discuss competing priorities, in this case of tactics and strategy.



When faced with a problem, using tools like the 2 x 2 matrix will help you and your team restore things to what they were before the problem arose. However,

reinstating the status quo won't take your organization forward; it will just keep you from slipping backwards.

Too often senior leaders allow themselves and their team to focus on the past. In futile attempts to rewrite history, they concentrate on corrective or adaptive actions—activities that will keep you all busy but won't really move the organization forward. A future orientation that gives attention to preventing problems before they arise or planning for contingencies if they do would be time better spent, but too frequently reinstating or maintaining the status quo sets the agenda, as decision makers overlook ways to move toward renewed success. Therefore, the next step addresses learning to use the 2 x 2 matrix as an instrument for making better decisions.

Conclusion

Decision making, as opposed to problem solving, involves the process of choosing from among several alternatives to move the company up and forward, to change what you've been doing to support a strategy that promises innovation and growth. Managers fill their days with problem solving, but successful executives know they have to do more. Even though decision making usually only takes a small fraction of the executive's time, it defines a specific executive task. As Peter Drucker stated, "Only executives make decisions. In deed, to be expected—by virtue of position or knowledge—to make decisions that have significant impact on the entire organization, its performance, and results defines the executive." Effective executives do not make a great many decisions; instead, they concentrate on the important ones. They focus on the highest level of conceptual understanding to think through what is strategic and generic, rather than tactical and problematic. However, the action to carry out the strategic decision should be as simple as possible, otherwise the decision will degenerate into a good intention.