

Problem Solving and Decision Making

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Introduction

Nowadays, the multitude and variety of companies and their employees, business relationships and interactions with service recipients or consumers of products is a phenomenon in continuous expansion and change. It creates situations where many of us feel like we are walking on thin ice.

This only reinforces the need of the actors in the field to prepare thoroughly for the possible situations they might encounter and to keep their eyes constantly wide open on how the market evolves, how the business field is influenced, how external factors influence the company's human resources.

However, there are some complex issues that have a greater preponderance in the daily life of companies and this report will include an analysis of one of them, bad management.

This paper aims to show how this specific work based problem can be recognised and solved by using problem-solving tools and techniques. The analysis will be performed with tools such as SWOT analysis, Porter`s Five Forces model and also a Fishbone diagram.

In addition, I will also include an evaluation of possible solutions to propose and decisions to be taken in order to overcome the crisis situation.

Complex Problem Description

Within a few months, a series of tense and unpleasant situations arose within a construction company as a result of an inefficient communication between the construction engineers and the head of the company.

Broadly, it was found that in several cases the beneficiaries of the construction projects are dissatisfied with the non-fulfillment of the contractual obligations within the term stipulated in the contract.

The complex problem lies in the fact that the management blames the team of engineers for not meeting the deadline on the field, but the engineers claim that they have

informed the management that the deadlines set in the contract cannot be met and have asked it not to conclude the contracts in such time conditions because it is not physically achievable.

However, the management did not take any action, nor did it announce the clients in time, and those who end up being held accountable are still the engineers, on the one hand by the clients, and on the other hand by the boss, who claims that employees are not oriented towards the company's progress and do not put enough effort.

SWOT Analysis

I conducted a SWOT Analysis to identify where the company succeeds and where it needs improvement, where it is necessary to adapt and to serve the target market, carve out the market share in the niche.



Fig. 1 SWOT Analysis

Strenghts:

- ✚ the company is well known and has over 10 years of experience in the field

- ✚ the projects contracted by the beneficiaries were always fulfilled according to the plans
- ✚ the company collaborates only with experienced engineers, with an impressive work portfolio
- ✚ skillful workteam

Weaknesses:

- ✚ the tensions between the boss and the employees could suggest that the activity undertaken for the clients is as deficient as the communication between them
- ✚ the number of projects for which bosses sign contracts increases, but the deadlines and the number of employees remained unchanged
- ✚ unsupportive boss, focused only on the development of the client portfolio
- ✚ the boss does not listen to the pertinent suggestions of the employees

Opportunities:

- ✚ the completed projects bring more and more clients by recommendation
- ✚ new contracts
- ✚ customer loyalty
- ✚ expand with new locations across the country
- ✚ offer larger variety of construction services

Threats:

- ✚ the pandemic situation has paralyzed staffing
- ✚ employees feel the pressure of high volume of activity and are no longer as efficient
- ✚ the available human resource can be effectively overwhelmed by unreasonable deadlines and the number of projects
- ✚ human resources may begin to migrate to employers who, for the same benefits, perform fewer tasks
- ✚ the company risks being left without what ensures its success: the experienced human resource

This SWOT analysis represents only a strong start of the hard work, which would be to determine feasible plans, and not a conclusion of the complex problem situation.

For a SWOT analysis to be truly useful, it is important that after classifying the 4 aspects (strengths, weaknesses, opportunities and threats) we interpret them in order to guide us to the steps that need to be taken to ensure that we take advantage of the market opportunities through its strengths, we stay strong against the market threats through its strengths, we avoid being affected from the market threats because of its weaknesses or missing market opportunities because of its weaknesses.

Ishikawa diagram

The following diagram, also known as a Cause and Effect diagram or Fishbone diagram will clearly show the factors that led to the problem that the management and also the employees are facing, which is constantly missing the deadlines.

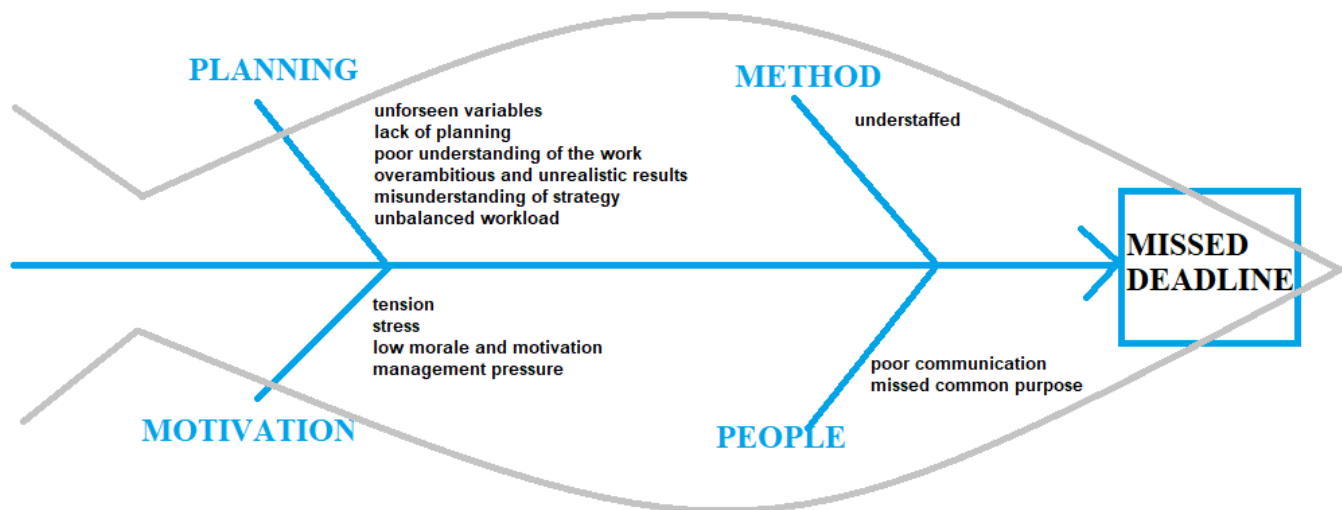


Fig. 2 Fishbone diagram on missed deadline

We can see that the most numerous causes are in the Planning segment, most of them referring to management.

In the construction field the management skills are permanently tested. It is a must to efficiently allocate the resources among workers, to understand what it takes to do the job, to set a realistic result based on the effective duties and not an overambitious goal.

This example of poor management, where workers' directions are not taken seriously and are ignored will lead to a waste of human capital, material resources, decrease of prestige and eventually failure of the company.

Porter's Five Factors

To describe the company's market position and potential, Porter's Five Forces has been conducted.

Porter's Five Forces method helps look at the balance of power in the market and it helps to analyze the attractiveness and potential profitability of the industry sector the company activates in.



Fig. 3 Porter's Five Forces

Bargaining Power of Suppliers is weak because the pandemic dramatically affected the cost of building materials, which increased considerably (Choy, 2021), even if there are still many suppliers with readily available materials.

Bargaining Power of Buyers is moderate. There has been a decline in the developers and client's demand for construction projects. Here, it is necessary for the company to take good care of the costumers and provide them the best services possible, without unpleasant delays (Barashkova, 2018).

The Threats of New Entrants is weak because usually customers are not loyal, the lowest bid will often win.

The Threats of New Substitutes is strong because there will always appear new and emerging innovative methods and processes and often the new innovative methods are at a lower cost than traditional methods.

Competitive Rivalry is strong because during the peak of the pandemic there has been a fall in demand for construction projects and this has resulted in excess capacity. Now, with balancing the situation, the companies are mostly involved in to promise the most advantageous terms to secure the contracts.

Evaluation of Possible Solutions

Given the results of the above analyzes, its position in the market and external risks, we find that the company whose problem we are discussing must immediately take a measure to remove any cause that could lead to the formation of a bad image in the market.

Even if only one deadline is missed, this could be all it takes for the company to lose its prestige, because clients are looking to hire a company that aims to complete their projects in a suitable time frame. But that doesn't mean the quality and safety can be compromised. Here it is necessary to treat the situation with the maximum of strong project management skills.

Possible solutions for the situation we are debating, could be:

1. the management / those who sign the contracts with the clients should be transparent with them regarding the feasibility of fulfilling a term and not to lie consciously just to make sure that the contract is concluded.

2. the management to ensure that for the construction activities there is the human resource necessary for their completion on time, without causing the exploitation of the employees and burnout.

3. to listen the interventions of the engineers when they notice along the way the encounter of some situations that do not allow the completion of the works on time.

Action Plan

There are crisis situations when quick decisions are needed, leaving the analysis of the causes to later, and there are situations when there may be obvious solutions, but to choose the most appropriate of them, an investigation is needed. In other situations we can't make decisions if we don't investigate the problem and its causes, because in fact there can exist several causes and eventually some aggravating factors. In many such situations we see only the symptoms the problem, that is its effects, and we can take appropriate action only after the problem has been investigated.

For a thorough action plan I followed the following steps: I defined the problem (bad management), I gathered and analyzed the data and I clarified the causes of the problem and I thought of a series of possibilities to solve it.

All that remains is to choose the optimal solution, which would be to resort to maximum transparency towards customers regarding the deadlines to be met and to resort to hiring a sufficient staff by looking to increase the human capital. Once they have been met, it will be monitored how and if the problem persists.

Conclusion

Being unable to meet client's deadlines will result in the loss of a current client, increasing cost, and ill reputation of the company. The bad reputation would make it very difficult for the company to attract new customers.

Any industry should always be prepared for new challenges. If there is no ability to adapt and change the practices of a company, there will always be situations of struggle with the upcoming issues.

It is true that failure serves as the greatest lesson in business and in life, but it is desirable not to pay the cost of a failure when it comes to the evolution of a company, especially when with the utmost care dedicated to resolving problems in a timely manner and making the right decisions we can avoid this. Problem solving and decision making remains the greatest enabler for growth and opportunity.

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