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Problem Solving and Decision Making

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INFORMATION

Problem solving and decision-making are two most important skills for business of organization. Success of business is based on the decisions making and problem solving skill of management and company leader of company. Better decision-making skills and problem solving skills are useful to avoid different issues that are related to business organization (Bardach and Patashnik, 2019). This report is providing information of action that are taken by Toyota to improve its sales by implement changes in organization. Toyota is a multinational automotive organization founded by Kiichiro Toyoda in 1937. Headquarter of Toyota is in Toyota City, Japan. Company is operating worldwide. It is providing automotive product and related services to consumers. Main products of Toyota Motor Corporation are Auto-mobiles, Luxury Vehicles, Commercial Vehicles and engines. Problem faced by company related to sales is analysed in report and its impact on organization is also evaluated in report.

Various information related to problem is analysed to improve the decision-making procedure of organization. Different possible solutions are analysed to solve current problem within the organization. Report describe various decision-making techniques in order to find the best technique to take right decision. An implementation plan will be to developed and communicated to stakeholders to make them aware of decision make by organization. To evaluate effectiveness of plan different monitoring and review techniques will be used by company.

MAIN BODY

Work Related Problem in Organization

Toyota motor Corporation is facing issue with its sales in United Kingdom market and it is considered as a complex problem for company because it is affecting production, management and workforce of company. To analyse the problem is priority for Toyota to get back to efficient performance. Another reason is, various issues are affecting the quality of product in productionline of company. Main reason behind reduced sales is poor quality of cars sold by company in recent time.

Scope

If company fails to resolve this issue then it can reduce the operational efficiency and profit of company. This decrease sales and profit of Toyota can force the organization to reduce its production in future to stay efficient and also it may lead the organization to shut some of its

production plant who produces defective cars. Many customers have reported technical failure problem in their vehicle after few months of buying. Technological problem in product can affect the brand value of organization in market place and this will lead the organization to less efficient operation with reduced marginal profit (Van Aken and Berends, 2018). It is not good for Toyota in Future because customer are loosing their trust from the company and shift towards another organization who provides similar product as Toyota Motor corporation offers

Information Analysis and Problem Identification

It is important for Toyota to identify particular reasons to make an efficient plan to resolve current sales crisis in market and to fix problem in assembly line and vehicles that are sold to consumers (Schoenfeld and Sloane, 2016). To analyse the information related to problem which the organization faces, company should use different internal and external factors to get specific research to make better decision to solve problem. In order to find external factor that supports the problem, company should conduct PESTEL analysis which consist of political, economics, social, technological, environmental and legal factor. These all factors could be possible reason of decreasing sales,

PESTEL Analysis

Political Factor-

Political decisions and implementation of new policies and change in current policy can affect the organization and its market performance. There are certain standards which are decided by government about environmental policy, business policy and trade policy. This factor are limiting the technical and operational efficiency of company. Policy made by government to force the automotive sector to design new vehicles with advance engine and furl technology to reduce production of green house gases through combustion of natural fuel. This is the reason of technical problem in product of company. As per government Toyota has changed its technology to meet criteria that is required to reduce pollution.

Economical Factor -

To stay competitive in market place, Toyota have changed its pricing policy. Because of factors like inflation, unstable economy in country forced the organization to manage the manufacturing cost of vehicles through different method. Due to implementation of various changes like change in raw material and component to reduce the manufacturing cost of product. This is how economical factor has affected the technical efficiency of company product.

Social Factor -

Social factors includes different consideration like personal, social and cultural values of people that are attached to organization with their mutual interests. Customers who have faced technical problem in vehicle that was provided by Toyota are not satisfied with product and services of company (Lee-Post, 2019). This unsatisfactoriness cause negative promotion among the people in target market of company. That is why peopel have lost their loyalty to Toyota and it is one of main reason of reduced sell of company.

Technological Factor -

As per the new guideline and policy of government Toyota need to change its technology to prevent excessive emission of green houses from vehicle. This force the organization to make fast change in technology to work according to new terms. This quick action and technical change affect the technical efficiency of company product and this is affecting quality of product that is further related to sales of company. Also the less technical research and old technology organization is taking long to address this particular problem in vehicle.

Environmental Factor -

Sustainable operation and production is main goal of organization and Toyota is trying to meet environmental requirements by implementing recycling and reusing in operation and this is also good for economic efficiency of company. Apart from this high global diversity is affecting product and technological standards of company. Both of these reasons are making organization inefficient with technology in global level.

Legal Factor -

Some of technological patents of company are still under authentication process and due to this extra longer legal procedure organization is not able to implement new technology is vehicles to solve technological issue of vehicles (Madhavaram and Badrinarayanan, 2015). This is how legal factor and affecting the production process to provide better product to consumers in order to regain market share in united kingdom Market this is delaying improvement of company and affecting sales of Toyota.

SWOT Analysis

There are many internal reasons that are reducing quality of product which leads to reduced sales of Toyota Motor Corporation. This internal reasons can be evaluated by performing SWOT analysis of company.

Strengths

Toyota is a well known organization that is consisting huge knowledge of automotive industry. This knowledge and experience is providing opportunity to conduct business successfully in target market of company. Strong market image of Toyota Motor Corporation is still allowing organization to gain optimum profit by operations (Laird, Bailey and Hester, 2018). Supply chain of Toyota is well and efficient to call back the defective products to fix them with in short time. Organization is capable of implementing fast innovation in organization and its procedures to perform according to market scenario. Strengths of Toyota is presenting as strong brand with good position in market.

Weakness

Technological problems in sold vehicles and product recall is major issue for Toyota. Many of sold product are defects or causing technical problem to customers and also product recall in affecting current manufacturing process of company due to extra work load on employees. Company need to fix the technical problem recall product to provide satisfaction to consumers. This process of fixing and manufacturing both are increasing work load on management and operation department along with labour. It is also reason of low product quality in Toyota. Secrecy in organization culture is causing conflict with in the work place. Less team working and conflicts are reducing the operational efficiency and standards set by Toyota to full fill needs of customers.

Opportunities

Toyota has huge experience and knowledge of automotive market and enough resources to start business in developing country. Company is working on fuel efficient technology and it can be helpful for organization. Global car market is growing and demand of automotive vehicle is increasing. So, Toyota have big opportunity to occupy high market share. Organization can provide better solution to customer that are facing issues with product of company. This can help the organization to improve consumer trust in company and improve technological efficiency of company product. This is how company can deal with current issues in sales.

Threats

Competitors of organization are major threats to Toyota Motor Corporation. Most of the competitors in market place are providing similar product to customer on low cost and this is big challenge for Toyota to maintain sales in competitive environment. Innovation implemented by

competitors in their product reducing sales of company in global market. Technological failure in company product are allowing other organization like General Motors and Ford to improve their market share to gain competitive advantage in market.

Porter Five Force Model

For the evaluation of current issues that are reason of low sales of organization. So, it is important for Toyota to evaluate the competitive environment of market place to know the competitive and strategical factor to make better efficient change in organization procedures to improve sales of product and provide better services to customer.

Threat of New Entrants

Toyota is a large size organization and possessing enough capital to directly enter a new market. In automotive industry of sector number of competitors is high, and they are providing tough competition to Toyota. High amount of resources and knowledge good enough for company to enter emerging market in country.

Threat of Substitute Product

In the competitive market many organizations are providing similar product on low cost. So it is major problem for Toyota to stay competitive in target market to earn optimum profit. So threat of substitute is high for Toyota. Company need to improve quality of product and offer better price to consumer to maintain sales as per target of organization.

Bargaining Power of Customer

Consumers are facing issues with product of company and there are many other competitors of organization. Number of choices for customer are high for competitors. Because of high competition in market bargaining power of customer is too high for company (Molkenthin, Breuer and Tennyson, 2017). To improve status of company in market place and to reduce bargaining power of customer Toyota can provide better quality product at good price.

Bargaining power of Supplier

Toyota is one of largest and old organization that is successful operating since it was founded. Number of suppliers are high in Toyota and power is in hand of organization and suppliers are not able to bargain to company to pay more for raw material. Still organization can improve number of suppliers to reduce power of suppliers.

Rivalry Among Existing Competitors

In automotive sector there are many organizations that are giving tough fight to company in global market. Companies like General Motors, Ford and Tesla are performing at their best and this is major threat for Toyota to operate and perform good in market place to maintain its positioning. Quality and innovation of these organizations are affecting sales of Toyota. So, organization need to work on its quality of product and innovation in organization in order to get better result in market place. In case power of Toyota is low and organization and to improve this power company can use innovation and better pricing policy.

Range of Solution for Toyota

For the analysis perform through different tools like PESTEL, SWOT and Porter five force model various issues are evaluated that are affecting the product quality of Toyota. To improve quality of product organization can use different methods and these methods are based on problems and issues faced by company in quality management. Major issues of Toyota are technological factor, work place environment, competitors, political, economic, social, environmental and legal factor. For each problem organization need to make effective change in policies and procedures to address problem with sales due to low poor quality product.

Recently company have perform product recall to fix the faulty product that are sold to consumer and company is facing issue with men power and limitation of resources. This can be addressed by introducing innovation in organization and its procedures. Company can use latest technologies like automation, artificial intelligence to improve the quality of product by focusing on accuracy and precision in assembly line. This will reduce the chances of error in complete product. To improve work place environment Toyota can use different techniques to improve relation between employees. By implementing better communication on work place and different training methods like gaming to improve team working skills of employees (Abdel-Basset and et.al., 2019). To avoid political factor organization can strictly follow the policies of government to avoid any further problem in operation and implementation. Financial issues in organization can be resolved by implementing better planning of budget. Because of reduction in brand value of organization organization is facing sales issue. To improve this condition organization can offer good product and services to customer to regain their trust and loyalty. Issues with quality and technology can be reduced by performing research work and find respective solution.

The work force related problem can be resolved by using partnership or contract with other companies to perform required repair work in products that are recalled by company. The

work force of company and number of work hour are limited for company. By using this business contract or short term partnership organization can get extra work force and working hour to provide solution to customers. Quick and efficient solution can improve the satisfaction level of customer Pending patents of company that are waiting in legal procedure can be resolved by full filling all requirement of legal procedure. This is how Toyota can use various methods to improve quality of product to increase sales.

Decision making Techniques

To solve problem management and leader of Toyota need to improve their decision-making skills (Garg and Rani, 2019). There are many techniques of decision-making in organization and these techniques can be used to get better result in market place.

Cost Benefit Analysis

This method is used by business organization to consider financial scenario in order to take decision which is economically and technically good for organization (Duke and Suter, 2016). In this process of decision-making organization calculate the input and out put of decision to check applicability of decision for profit of company. By this technique organization can find best economic solution for particular problem.

Scientific Method

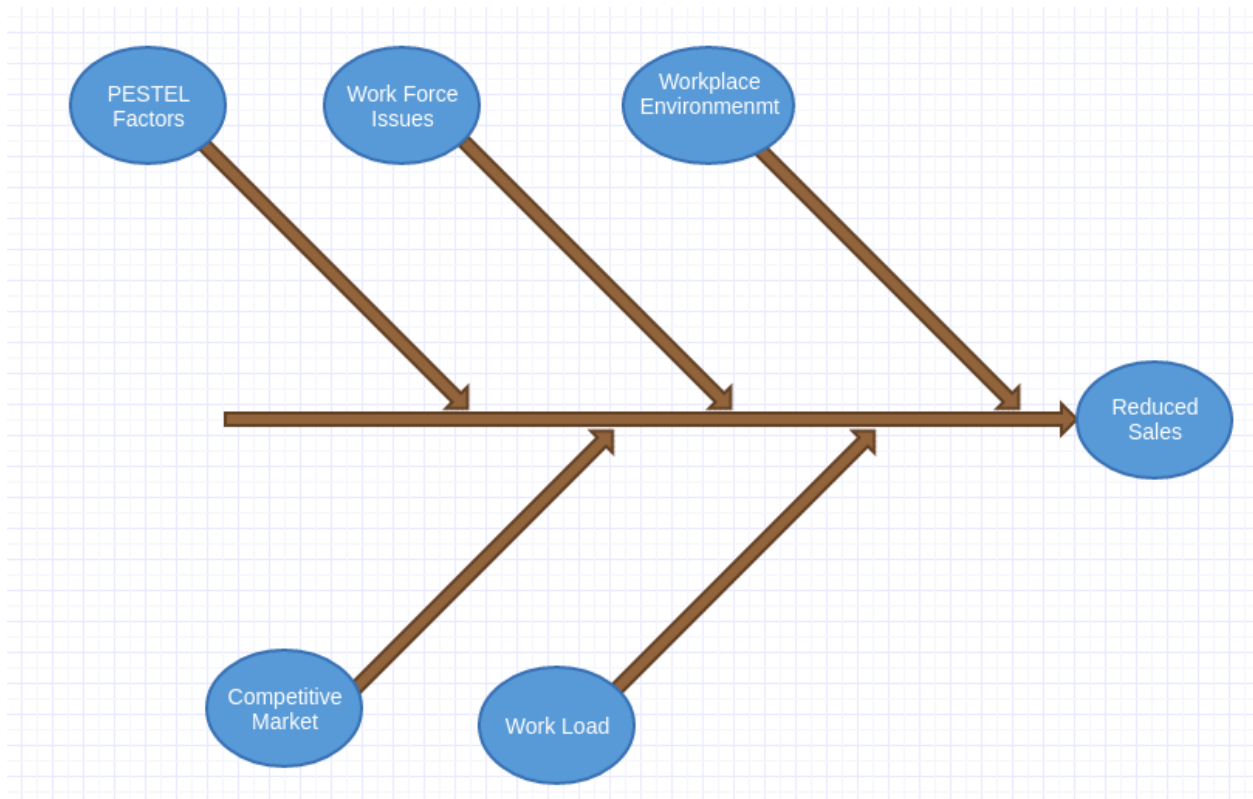
This technique is used by organization to solve particular by considering scientific factor of each problem. In this technique of decision making organization uses the problem solving approach to address problem. For technical and business related small problem this technique can be used by Toyota.

Toyota can use both of this technique to solve the issue with quality and sales of organization in United Kingdom automotive market. To gain high profit organization can use cost benefit analysis technique to maintain profitable output from company.

Fish Bone Diagram:

This model is used to identify the possible cause for a problem and also known as the effect diagram that determine the root-cause of problem. In the same way, Toyota also faces the issue of decrease in the sales due to low quality of products and the major factor or root-cause are, PESTLE factor, workforce, working environment and competition from market. Therefore, these all affect the business in negative way and that is why, company faces financial issue.

On the other side, when all the factors are analysed, the facilitator provides a diagram which looks like skeleton of a fish that determine the root factors of the problem and also helps the group to provide different solution of the problem as well.



Develop the plan regarding the implementation of the solution in the organization

As Toyota is looking to implement the solution in the organization it will be not that easy for organization to bring the change as it requires the proper planning for implementing the change in the organization. Step which will be followed in implementing the solution is as follows:

Clear Defining of the solution: Organization will be modifying and changing the goal of organization in such a way that solution of the problem is heavily used to achieve the organizational goal (Clapp and et.al., 2019). This will help organization in understanding the need of the solution which is brought by organization.

Proper communication: It will be the second step in which Toyota will be communicating the solution to employee of the organization in such a way that employee is able to understand the need of change in organization. It will help the Toyota in developing the good trust factor among the employee in the organization. Toyota has to make sure that organization passes on the proper

message to the employee about what are the benefit which will be enjoyed by the employee after implication of the solution it will keep the employee motivated in the organization.

Training: It is the third stage in the process of implementing the solution in organization. In this stage proper training to all the employee will be given so that the employee does not feel uncertain at time of adopting the new technology in organization (Strauch, Pidun and zu Knyphausen-Aufseß, 2019). All the employee in Toyota will be evaluated on the basis of the skill possess by the employee and after that the training will be provided to them so, they find it easy to understand the new technology. Toyota will also evaluate the external and internal environment on the regular basis to find out the change in environment and on the basis of the finding will provide the training to the employee on the fixed time interval.

Implementation: It is the stage where solution will be implemented in Toyota. Toyota will be implementing the solution in such a way that it does not have the vast impact from the starting point itself. Solution will be implemented on the smaller scale and will be evaluated on the basis of the result the decision will be taken in the organization whether the solution has to apply in the whole organization or not. It will help the organization in understanding what the importance of the solution very easily.

Review: It will be the last stage of the implementation plan in which Toyota will be setting up the standard which need to be fulfilled by the organization. After implementation of the solution company will be reviewing the performance of the company and then will compare the same with the standard which has been defined by the organization before hand itself (Meidell and Kaarbøe, 2017). It will help the organization in understanding whether the solution which has been brought has helped to the company or not. Company will also evaluate the solution on the regular basis so that continues improvement can be brought in the organization.

Explain the way through which the Implementation plan will be communicate to the different Stakeholder

Communicating the plan to the Stakeholder will be the difficult task for the Toyota as all the stake holder used to have the different sort of the interest in the organization. All the stakeholder always try to safeguard their position in organization. The interest level of the Stakeholder can be better understand with the help of the Stakeholder mapping diagram. Stakeholder Mapping of Toyota is as follows:

Satisfy	Manage
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They are the stakeholder who are highly influenced by the operation of the business but in real they are having the low level of interest in the operation of organization. Example: 1. Regulator 2. Administrator	They are the one who are the key stakeholder of Toyota they used to have the good amount of the influence power and also they used to have the high interest in the working of the organization. Example: • Senior management • Trade Uniform • Inventors
Monitor They are the one who are having the very low level of the influence power and also they are not having that level of the interest in the working of the organization. Example: • Support/Complementary Services	Inform These are the stakeholder who are having very high interest in activity of the business but they are not having that much of the power to influence the work of the organization. Example: • Media Outlet • Member of the Community

Satisfy: Toyota has to provide the proper plan to this category of stakeholder as they are the one who used to provide many support to the organization in running the business. Toyota has to make sure that proper communication is maintain with this category of the stakeholder and they are provided with the benefit which will be enjoyed by the company after implication of the plan in the organization.

Manage: Toyota has to make sure that they involve this category of the stakeholder in the decision making process as they are the one who used to run the business activity for the organization. As they are the key stakeholder for the organization, Toyota has to make sure that the organization motivates and pass on the clear mission and vision to the stakeholder so that they does not hurt the trust of the stakeholder (Osadchy and et.al., 2018). Toyota also has to make sure that they communicate the benefit which will be enjoyed by the Stakeholder so that they feel motivate to implement the plan.

Monitor: It is not mandatory for the Toyota to communicate the plan to the stakeholder as they are the one who are the one who used to provide the supporting service to the organization

(Khazaei and et. al. 2015). Providing the information to the stakeholder will help the organization in building the good trust among the Stakeholder.

Inform: Toyota will be using this stakeholder as a promotional tool as this category of the stakeholder will help the organization in promoting the change in the market which will eventually help the organization in building the goodwill of the company as all the external party will be having the information about what are the step which is taking place in the organization.

Explain the different way through which the Solution will be monitored by the organization

Toyota will be monitoring the performance of the solution in the organization with the following Monitoring technique:

Measurement of the Solution effectiveness: It is the technique in which organization will be establishing the set standard before hand itself and on the basis of that organization will be comparing the real effectiveness which has been brought by the solution in the organization (Maine, Soh and Dos Santos, 2015). This will help the company in knowing the change which need to bring by the company to implement the solution effectively.

Collect the Relevant Data: Organization will be collecting the relevant data regarding the performance of the organization and will be comparing the data of the two fixed time interval. It will help the organization in knowing that the solution which is implemented on the right path or the direction at which the performance of the business is going.

CONCLUSION

By summing up above report it has been concluded that Toyota faces the problem of decrease in the sales due to low quality of product and it is realized by using internal as well as external environmental factor. Further, it has been concluded that in order to overcome the problem, company may use technological solution such as innovation, artificial intelligence that helps to raise the production level and enhance the quality as well. Apart from this, the problem is also analysed by using Porter five force that is mainly used to determine the competitive advantages and it has been concluded that company faces strong competition in the country. Even report also uses Fishbone diagram that helps to identify which factor may affect the business or create the problem in the success path.

In addition to this, it is also concluded by the present study that using effective decision-making technique that is cost benefit analysis which helps Toyota to evaluate the best strategy among all solutions. Lastly, it concluded that by using stakeholder mapping analysis, company

may easily communicate the plan to the stakeholders and concluded that the plan should be properly monitored in regular intervals.

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