# Problem Solving Techniques and their Centrality to Corporate Success

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## ZADÁNÍ BAKALÁŘSKÉ PRÁCE (PROJEKTU, UMĚLECKÉHO DÍLA, UMĚLECKÉHO VÝKONU)

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Téma práce:

Techniky řešení problémů a jejich důležitost v úspěchu obchodní společnosti

Zásady pro vypracování:

Představte problémy, kterým obchodní společnosti čelí.

Podrobněji rozeberte konkurenci jako problém společností.

Charakterizujte techniky řešení finančních a personálních problémů a jejich důležitost pro obchodní společnost.

Zaměřte se na skupinovou techniku brainstorming. Zaměřte se na individuální techniku mind mapping.

Uveďte závěry a doporučení pro praxi.

Rozsah bakalářské práce:

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## ABSTRAKT

Tato bakalářská práce se zabývá problémy vyskytujícími se v obchodních společnostech a jejich hlavními původci. Zaměřuje se na důležitost technik řešení finančních a personálních problémů a jejich správnou implementaci do obchodní společnosti.

V první části jsou popsány problémy, jejich původci a dopad problémů na firmy. Také se zabývám problémem konkurence.

V druhé části se zabývám technikami řešení problémů všeobecně a uvádím klíčové aspekty k úspěchu implementace techniky. Následně popisuji dvě rozdílné metody pro jednotlivce a skupiny. Každá technika je podpořena příklady úspěšných manažerů.

Klíčová slova: techniky řešení problémů, problémy, vyrovnání se s problémy, obchodní společnost, firmy, dopad, řešení, úspěch

## ABSTRACT

This bachelor thesis deals with the problems that occur within business companies and their primary origins. It focuses on the importance of financial and personnel problem solving techniques and, their correct implementation within business companies.

In the first section, the problems, their origins and the impact of the problems upon a firm is described. I also focus on the problem of competition.

In the second part I am interested in exploring problem solving techniques in general, and I provide the key aspects leading to the success of the implementation of these techniques. Subsequently, I depict two different methods for individuals and groups. Each technique is supported by evidence given by successful managers.

Keywords: problem solving techniques, problems, dealing with problems, business company, firms, impact, solution, success

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## **INTRODUCTION**

Nowadays, managers are forced to face problems in their companies on a daily basis, and leading a firm with a knowledge of problem solving techniques is essential. Today, the successful manager should use them because it helps him to be aware of potential difficulties which may occur within his company. Many managers believe that knowing the concept of these methods will not help to save their firm from bankruptcy or other troubles, but they could be mistaken. The correct use of these techniques leads to the improved condition of a company, in many ways.

The primary aim of this work is to point out the importance of the correct usage of problem solving techniques, and to demonstrate how two highly renowned methods should be used. Also, the thesis will depict problems that might arise within a company and help managers to face them; and will acknowledge the reader with general information about problems and techniques. Brainstorming and mind mapping are rather popular techniques amongst managers, but they are usually used incorrectly. The incorrect implementation of these methods may create more negatives than positives. Although these techniques are used extensively, I also focused on other remarkable ways of solving problems because I found them to be advantageous.

Throughout the work I have tried to attach my personal ideas and recommendations to most of the topics. I also support the evidence of benefits of these methods by giving examples of successful implementations of them.

In the first part of my bachelor thesis I will describe problems which occur in companies, and I will focus on the origin of the difficulties and the impact of them upon a firm. Then I will expand the description of problems in general with competition. I positioned these topics at the beginning of my work because it is crucial to identify a problem in a company first, and then to solve it. Without a notion of how to determine what is wrong and what rules should be followed in recognizing a problematic situation, managers cannot choose and implement the right problem solving technique.

In the second part of my work I will depict methods of problem solving, and also major facts that influence the successful implementation of them. Creativity is considered to be the most significant component of the progress of using the right technique. People were born with varying levels of creativity and the amount of it resolutely affects performance. After the introduction to problem solving techniques, I will deal with representations of individual and group methods. Brainstorming and mind mapping will be described and figures will be presented alongside the topics. For each method, I documented the experiences of managers who used them with positive responses.

## **1 PROBLEMS OCCURRING IN COMPANIES**

All over the world companies producing cosmetics, dairy products or providing loans or selling cars can be found. There is huge diversity in what a company can do. It is hard to find what it is that they have in common, but still one thing remains and it connects all of these companies together. It is problems that occur in their workplace, which every single company has to face and solve.

The aim of this section is to acknowledge readers with problems which occur within business companies, their common sources, the impact of the problems and how to identify them. It will also clarify the definition of a problem itself.

## **1.1 Identifying and Recognizing Problems**

Companies try to find out why their profits are decreasing or why employees are bored, despondent and without enthusiasm. Very often managers do not realize that the origin of this unpleasant situation might be a problem which causes these negatives in a work place. To solve the problem, it is necessary to know what it actually is and then to know how to identify and prioritize it.

#### 1.1.1 Problems in General

A problem is something which has to be faced. People encounter problems in their work or in their personal life on a daily basis. In my opinion, a problem arises when something is not happening as well as we expect it to; then we have to face it and solve it. Very often we don't want to bother with our troubles and we try to postpone them as much as is possible, but especially in the case of a company it is definitely not a good idea. The problem which is not solved leads to other subsequent problems and these lead to a lower quality of life. Moreover, increasing problems at work can damage a whole company as they may lose profits, customers or employees.

#### 1.1.2 Analysis of Corporate Situation and Supportive Techniques

The best way to discover if problems are occurring within a firm is managers keeping their eyes open to look for them. Managers or other people responsible for problem solving cannot solve problems which they cannot see. We have to understand that difficulties bring also positives in the form of opportunities for a company that may contribute to better conditions at work. The best option would be to recognize a problem itself before it even arises in a work place. However, this is very difficult and managers have to study the company environment to understand the process of creating problems or opportunities (Higgins 1994, 20).

For analysis of the environment of a company, certain techniques which help us analyze it, as well as techniques for problem solving, can be used. A few of these beneficial methods will be depicted.

The most suitable solution for analysis of a corporate situation is the method in which advisors, or someone who has no prejudice regarding your company, is employed. Many managers are not able to judge a situation well, so they hire someone to show them how to analyze the environment. Moreover, nobody orders the manager to analyze the situation on his own, so he does not have to worry about hiring someone new (Higgins 1994, 37).

The first method is helpful; but you may also need to use another method to be sure that the situation was analyzed correctly. The assurance should be performed regularly, and not only when you are in doubt.

For certitude, a technique which studies weaknesses in your workplace can be implemented. It means paying attention to signs which are external to the firm. Watching internet sources or predictions of experts will help you a lot as you will gain more information (Higgins 1994, 37).

#### 1.1.3 Identification of Problems and Helpful Techniques

Recognition of problems, as already mentioned, contributes to the success of firms. Identifying something wrong enhances your chance to change it and learn from it. That is why the identification or recognition of a problem is so important and absolutely necessary. To recognize problems the usage of certain techniques or methods is needed. They are the best way to find problems quickly and to react in time.

The use of SWOT analysis is one of the methods which can be applied here. This analysis is divided into four main sections, which are: threats, weaknesses, strengths and opportunities. The company can also involve employees to contribute with their suggestions on these four sections (Proctor 2005, 74).

From my point of view, the participation of employees in the action of the company is enormously contributive. They can see that they are real members of the team, and it motivates them to participate more.

Whereas SWOT analysis helps us to identify strengths or weaknesses, using a method which collects complaints can identify a problem concerning company rules, reduced satisfaction or behavior of employees. Such a list can be written by a group or a single person (Higgins 1994, 41).

As the merit of participation of employees in decision making has already been mentioned, the list with complaints from employees is beneficial for the whole company too. To collect the pros and cons of the firm contributes to a higher quality environment, and it enhances the employees' convictions about the business company.

To recognize problems in a different way, these four ways can be used too:

- Contrasting our present gained experience with the past.
- Contrasting present gained experiences with present intentions.
- Contrasting our output with plans of a company.
- Contrasting our output with output of the competition (Proctor 2005, 73).

#### 1.1.4 Prioritizing Problems

Once problems are recognized we prioritize them. This duty should be supervised by the time management team within a company, and also by the risk management team. The division of the role depends on the size of the firm. To arrange problems according to their urgency is the best way to solve them smoothly. It has to be decided what the most urgent problem is, and which one has to be solved as soon as possible. It is up to the company what they find the most urgent and what should be done at the earliest opportunity. It depends in what field the company is and what its priorities are. We may find many schemes to prioritize problems, but in my opinion I would put the one which is connected with time at the top of the list as, for example, if a machine in the manufacturing plant does not get fixed until the end of the month, the firm will not have profits and will not be able to pay for the material. So, from one problem two or more may arise.

### **1.2** Analysis of Problems' Initiators

Problems can appear almost anywhere, and sometimes it cannot be discovered in which period of time they will occur in a company. Sources of problems can originate from the inner structure of the company, but also from the external environment. Not knowing the origin of the problem, managers of companies have to be ready to face unexpected problems. Managers should also know what to expect when a problem comes along and how to react to the problem. I perceive two main sources of problems, which are employees and the economic crisis. I found them to be highly significant. Employees usually require better working conditions, for instance: new furniture in their office, air conditioning or good lighting. Very often, such reconstructions are not the only things that they demand to be improved. They want higher salaries, benefits or more days off. All of these requirements are fully justified. For this case, companies have a human resources management or department, with highly educated managers. These people take care of all the wishes of their subordinates and try to realize them. However, they are sometimes not capable of fulfilling all of these demands and the employees become upset. An unfavorable situation among employees or at work can be also caused by the economic crisis and this problem might affect the whole inner situation.

#### 1.2.1 Internal Sources of Problems

In general, problems arising in a company can be caused by many reasons. The most significant sources of problems inside a company are its employees, as they are humans and have needs and different characters. Disconcerted employees should know where to make complaints or pose suggestions for improvement of the workplace. Every company has its own department for this purpose, or a person who takes care of it. Generally, the human resources management should pursue this issue.

The aim of human resources management is not just to control whether all employees gain rewards and to make sure that their experience and skills are utilized enough in a company, but also to ascertain if the employer is satisfied with their work (Graham and Bennett 1991, 3).

It's not always requirement for better conditions which causes problems within a company, it can also be conflicts among employees. People have different characters and sometimes they don't sympathize with others.

It can be said that half of this problem comes from misunderstandings among employees. Personal relations are not as easily controlled by managers. It is much better to manage material resources than human ones (Graham and Bennett 1991, 3).

To solve the problem successfully, it is necessary to deal with every single sign which signifies that there is something wrong. Postponing raised objections does not support the right decision. By the usage of these techniques we can discover completely new solutions, or improve the older ones and increase employee's motivation. To make employees work efficiently it is essential to satisfy their needs, or at least some of them. Motivation is the best way to encourage our team to work surprisingly well. And by using problem solving techniques, we can facilitate an improvement in the company.

When considering employees' satisfaction needs, it has to be realized that there are restrictions that may differ from person to person:

- Cultural differences: some people have different priorities which are connected to their cultural background.
- View of the world: a person who meets its need by taking the lowest chance to satisfy it. A man who is hungry sees a tree full of fruit as a something full of food and he is not interested in beautiful surroundings.
- Different natural ability: there are people who are talented and capable of things which someone is not able to perform. Also character of such persons is different (Graham and Bennett 1991, 14).

It is difficult to satisfy all the needs of employees in a work place. However, even though it is possible to some degree, there will still remain someone who won't be satisfied (Graham and Bennett 1991, 20).

The increase in motivation of a team can interrupt frustration which appears in a company for various reasons. It is very often because their work seems meaningless to them, or that their problems are not solved by management. The human resources manager can come up with job changes and with a change of its structure. Employees who are unhappy with their meaningless work will be satisfied with the new one which suits them better and gives them meaning (Graham and Bennett 1991, 17).

The aim of every management within a company is to keep their employees happy and satisfied. To fulfill this aim, problem solving techniques can be used.

It was found that happy and mentally satisfied employees are more productive and better at decision making. They do their best to help the company earn profits and help to save money (Kansas State University 2009).

#### **1.2.2 External Sources of Problems**

Not only internal sources create problems, but also external ones can too. The term external source is meant as the source of an event or incident which happened outside of the company, and the company itself is not responsible for its origin.

The economic crisis can be classified as one external source. Economic crisis may affect a company in many ways. The impact on employment or the financial side is colossal. In the time of economic downturn it is necessary to come up with an idea which will help the company to retain their employees and to prevent losing their customers. Using a problem solving technique, solutions of how to keep workers, and also how to save more money can be found.

Economic crisis appears from time to time all over the world. The company itself cannot prevent the origin of the downturn leading to the crisis which affects not only companies but people too. On the other hand, companies have an advantage over individuals when speaking about the possession of risk management. A department dealing with crisis should be in every corporation. It governs control over the company's operation in the time of economic downturn. The office tries to prevent as many declines as it allows them too. A very dangerous situation appears if experts that work in the risk management department are not employed. Nonetheless, smaller companies especially do not hire them as they do not possess enough money to cover all the expenses.

However, many directors have lost their jobs because their company lost a great sum of money as they were not capable of controlling the situation which increased along with the economic crisis. Unfortunately, the main problem of losing money or a job is only partially a fault of the downturn; the problem indicates also the fault of a CEO's failure in their risk management as the employees usually don't follow the rules brought out by them (Baily, Litan and Johnson 2008, 42).

For a successful corporation during a time of economic crisis, it is crucial to know how to cope with the downturn and what to expect. To know problem solving techniques, as some of them help to discover new ways to combat the risks and the crisis, is an advantage. Furthermore, these methods will help to come up with ideas on how to save money or increase profits. Concerning the benefits, they can also weld employees together as many group techniques require lots of people participating and sharing their ideas. This can lead to better communication and to better working results.

## **1.3** The Impact of Problems and its Originators upon a Company

Every difficulty should be solved as the disadvantages of damages caused by problems can definitely outweigh the advantages of not solving it. I would like to depict the consequences of not dealing with problems and letting them destroy, for instance, a company's culture or its good will.

I have already outlined problems occurring in companies, but now I will examine the impact of them. One of the most hazardous situations occurs when employees do not know how to cope with stress. Working under stress generates many people working under pressure and they do not work efficiently and make a lot of mistakes.

It was proven that a stressful environment might have a negative impact on employees. By 'stressful environment', I mean the wrong work place. Fortunately, this does not say that people are not capable of working under pressure, but it means that their ability to focus on their job is affected by the environment (Lee).

These employees lose their ability to be creative and creativity is one of the most crucial parts of problem solving (see chapter 3.1). Productivity of fine ideas depends mainly on the mood of individuals, which is tightly connected to the ability of creativity.

Even though the wrong work place is one of the reasons why people don't work correctly, we find that employees may bring their stress into work from home. Personal problems may also affect almost everyone and it is normal, but at work we should try to avoid them as much as possible. That is why a firm should be friendly to its workers and possibly offer some relaxation courses, or at least give them more days off to allow time to cope with their personal problems.

Conflicts among employees can disturb the whole atmosphere at work too. The antipathy among them leads to intentional damage to each other. Such behavior contributes to an inappropriate work place, and that may cause stress not only to people involved in the conflict but even to other colleagues and management.

Nevertheless, external problems may cause more extensive damage than internal ones. In the case of economic downturn or natural disaster, profits or customers will be lost. Floods can destroy many factories which managers cooperate with, and then they will not be able to deliver or produce the goods which have been ordered. All the money that has already been invested will be lost. With no goods they will not be able to sell them, and will not make any profit. In the case of economic downturn or a crisis, it can lead to the bankruptcy of suppliers. Then nothing can be done, and it has to be tolerated alongside other arising problems.

## **2** COMPETITION AS THE THREAT OF COMPANIES

Problems in general have been already described, so I would like to acknowledge you with a problem that I found the most dangerous for companies. Competition may have various impacts on diverse firms. These can be loss of customers, lower incomes and higher expenses.

Generally, the definition of 'competition' is 'competing for supremacy'. There have to be at least two sides which are rivaling, and there will be always one of them better than the other. It also indicates certain rivalry and it generates negative aspects among firms. These aspects might be intentional damage, or acts of sabotage.

However, competition may seem like nonsense for some firms, but the importance of keeping secret information to themselves is necessary. It is easy to imagine meeting someone walking in the street and them telling everyone the biggest secret of the Coca-Cola Company producing cola drinks. If each of us knows how to make a cola or another drink, the original company would not expand so fast and they would not reach such high profits at all. This means that we would help our potential competitors to set up new businesses rapidly and to become new and maybe better innovative competitors, but this is not what we desire.

## 2.1 The Competitive Advantage of Companies is Strategy

To be competitively advantageous, knowledge of how to be successful in clashes with competition is needed. However, managers very often don't realize it, and even the smallest company has its secret manuals or directions on how to struggle with the competitive environment. Strategy is the key concept for managers, but as such, strategy may differ from one person to another.

One of the most important strategies for firms is the analysis of the industry environment. The analysis should be strict and it should distinguish time periods along with events which happened within the period. It is essential to set up the range of time for which the action of a company will be tracked. Such a strategy is not created to state the attractiveness of the company, but to find out the bases of the competition's advantage (Porter 2008, 5).

The analysis of the environment is very important for every company and it should not be underestimated. Because we do not who it is we are competing with, we cannot face their intrigues and traps. The improvement of the sale manners of companies would be harder too.

## 2.2 Dealing with Competition and the Impact of Not Solving It

This chapter provides my personal idea of how to solve problems concerning competition using a problem solving technique. It will also deal with the impact of not solving it.

Brainstorming (see chapter 4) is a perfect option for this case. It is a group method and the meeting usually consists of more than two people. The more brains, the more information we get and the more successful ideas we may receive. The marketing strategy is one of the most influential factors of the competitive advantage and it should be decided very carefully. That is why brainstorming should be implemented here. There is a huge range of people in a company, and everyone has different knowledge, experience and information concerning the competitors. One of the best marketing strategies against competition was the strategy of the Coca-Cola Company. That competitive advantage was created by the use of brainstorming (see chapter 4.4).

Competition can affect firms extensively. The more we compete, the more we pay. Prices for competitive advantage are higher, and such costs may disrupt the financial plans of a company (Proctor 2008, 5).

It is recommended to keep records of expenses and incomes to maintain the books of accountancy. It is much easier to orient the flow of money, and to decide whether we still have some available cash for the marketing purposes to compete with our competition. Unless the company tracks its expenses, it may lead to bankruptcy, because nonsense squandering of money is not convenient.

## **3 PROBLEM SOLVING TECHNIQUES**

The aim of this chapter is to introduce methods which help to solve financial and personal problems at work. Such problems may not appear just at work but also outside the company, as I have already mentioned in the first part of my bachelor thesis (see chapter 1.2). Managers have to be ready to manage any situation which occurs in a firm, and in some cases problem solving techniques can help them. Of course, problems may be handled in many ways, but using these methods is the most effective; I think that the following techniques I am going to explain are much better to use because we can find certain instructions or manuals on how to use them on the internet or in a library. When solving problems by other unknown methods, much information about how to manage it (as is the case with these techniques) cannot be found.

## **3.1** Importance of Creativity

Creativity is the most important concept when managing problems, because without the strong ability in coming up with new ideas we cannot solve more complex difficulties.

Perhaps the major difference between creative and non-creative people is not visible, but the creative ones are more into work, and are motivated by their job. Such a person is full of energy, clever and sometimes also starry-eyed. They occur between imagination and actuality and they can be described as silent persons, and sometimes as sticklers (Williams 2000).

Although creativity can be learned and improved by precisely defined exercises, a person with a lack of such a skill will have to perform lots of exercises and be patient. Figurative thinking, exercising the imagination, or using unlike things are the best ways to practise creativity. People with creativity say that such a process needs continuous training and encouragement. Learning will be faster if we know when our brain works the most intensively; in the morning or before we go to bed. This is the best time to work on our ability and stimulate it (Williams 2000).

Stimulation of our creativity is very important. For the best training in that activity, visiting courses of creativity or reading books about it is recommended.

### **3.2** Creative Methods of Problem Solving for Individuals

Problem solving techniques can be divided into group and individual techniques. In this part I will deal with the methods for sole persons.

Individual methods may fit people with analytical skills but also the person with intuition (Higgins 1994, 60).

It is hard to say what type of techniques individuals like, as every single person differs from others. Some feel better with one type, and the other would not use it at all. The diversity of the individuals may belong to the personality of each of them (Higgins 1994, 60).

There are plenty of types of problem solving techniques. I have collected the most interesting that can be easily used in many fields of economics and management to solve personal and financial problems occurring within companies.

#### 3.2.1 Free Association

Free Association is listed as an individual technique; however, it may also be great for groups of people (Higgins 1994, 64).

When solving problems by the technique which uses association, we make connections between two things. It means that when we see a dog on the street, we can associate it as our friend or canine. However, association in general is used all the time in our everyday life; I will focus on the use of free association at work.

Whatever comes to your mind is the best description of how to depict this method. It is just necessary to write down on a sheet of paper the financial or personal problem that you have to face, and if you define it by the appropriate words you can start with the free association (see Figure 1). The aim of it is to come up with the idea of a problem and not to solve it in a moment, but the view of the written association may also lead to some solutions (Higgins 1994, 64).

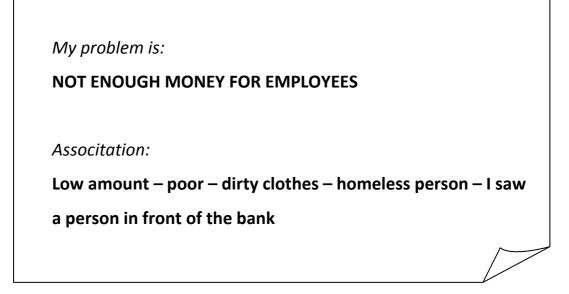


Figure 1. A Sheet of Paper with Free Association (self-created)

As you can see in Figure 1, I started with a short definition of the financial problem and then I started with the free association. The first thing that came to my mind was the low amount of money that causes poverty in people, and these poor people wear dirty clothes and sometimes are also homeless. Finally, the last associated word or phrase is that I met a poor man in front of the bank yesterday. From the first point of view, it doesn't look that it may be helpful for solving our problem but if we go through the association again we may find the word 'bank', and if we start thinking about banks or start with another association of that word, we may find the solution we are searching for. One such a solution could be a loan.

#### 3.2.2 Computer Aid

Another great help is our computer, which can be used for generating new ideas. There are plenty of programs on the internet which improve managers' lives. You should search for the types with a huge capacity of words and phrases. Amongst the most popular are the IdeaFisher from the Fisher Idea Systems Company. But we can also rely on the Idea Generator Plus, which is another computer program that helps us to find solutions (Higgins 1994, 72).

The use of the computer aid is one of the best choices for individuals, as they can use it any time they want and they have enough time to learn how it works. These types of software are only recommendations and managers may also use different software.

#### 3.2.3 Work under Pressure

As nonsensical as it may seem, working under pressure might be the most effective method for individuals, because they are made to finish or solve their assignment sooner. Deadlines are the best methods to encourage ourselves to work harder and faster, because it contributes to higher pressure and increases brain activity (Higgins 1994, 74).

However, such an activity should be used only by resistant individuals who know how to cope with stress, because working under pressure might cause a stressful situation for some. People should make sure that this activity will not influence their creativity and concentration, because in chapter 1.3 I described problematic situations in which employees might not work efficiently under pressure or stress.

#### 3.2.4 New Sight

Sometimes it is good to bring someone new into the company to see the problem or the situation clearly. The person who is not engaged in the issues can evaluate it much more precisely than managers who work there for a long time and know all of the employees well. We may take someone from another company or just from a different department. A new person can see the conflicts or problems with a fresh eye and may come up with new solutions (Higgins 1994, 84).

Hiring someone from a specialized field is advantageous, because these people are trained to be professional and they know how to act. It will also save time, because training existing employees from different departments takes time.

#### 3.2.5 Synectics

William J. Gordon designed this method, and nowadays it is one of the most complex techniques, like brainstorming (see chapter 4). With the help of this method, we can come up with new solutions and ideas for our problem (Proctor 2005, 160-161).

Managers implementing the technique should study more about it as it is a complex and difficult method indeed. Individuals are prone to self-study, but in this case it is recommended to contact a specialized person for advice.

The technique is based on two principles. The first one is to transform the unfamiliar into the familiar and the second is to transform the familiar into the unfamiliar. Such a process leads to five mental conditions that we need (Proctor 2005, 160-161).

"These states are involvement and detachment, deferment of premature solutions, speculation, autonomy of object and hedonic response," according to Proctor (Proctor 2005, 160).

## 3.3 Group Methods of Solving Problems

Techniques for individuals are very important. Nevertheless, I think that methods for groups also have certain potential in their usage. More people can invent more improvements, or just come up with more new ideas. Every group needs its leader or someone who will manage the meeting and if it is performed well, we might get a crowd of people generating enough alternatives for solutions. Still, group sessions have their advantages and disadvantages.

The positive sides of group decision making are:

- More people know more than the individual. It doesn't mean that the sole person has no education or is worse; in a group of fifteen people with the same background is contained more information. Such a group can cooperate together and solve the problem with the help of others.
- A person who will be influenced by the problem and is responsible for the decision will accept the idea easily.
- Higher attendance of people helps with better acceptance of the decision.
- The more people who are in a group, the more they will discover.
- The possibility to fail is increases in the case of individuals but groups have better chances to avoid risks.
- Participants judge collectively (Higgins 1994, 116).

Although positives in group methods can be found, managers may also find negatives:

- It is hard to adapt in a team of colleagues.
- Dominant person in a group may persuade others to agree with his/her opinion.
- Time is the worst enemy of people in a session as they have to manage their time to attend the meeting (Higgins 1994, 117).

To avoid negatives when implementing techniques for groups, dividing participants according to their characters is suggested. By conducting a character test, a negative person can be discovered and it might help managers with dismissing employees too.

#### 3.3.1 Circles of Creativity

This method was invented in Japan and is used by as many people as is possible. The amount of people is important, because they will be divided into groups each containing the same number of members, and each group will sit within its own rounded table (Higgins 1994, 131).

Japanese styles of problem solving might differ from the European one, so it is recommended to modify the method slightly according to the managers' needs and according to the problem that should be solved. Also, the needs of employees should be taken into consideration.

#### 3.3.2 Software Assistance

As individual techniques can be supported by a computer, the group one can be too. You can find software providing help for groups to make the right decision, but also the software can unite collectives of workers and teach them how to be more effective. On the internet, many programs can be found to be as supportive as the Wilson Learning System of Minneapolis from Minnesota which is software that enables users to learn various tables or charts (Higgins 1994, 140-141).

Software assistance is very contributive because all help counts. On the internet the PHRED 8D software can also be found. This software was created to help with problem solving and it consists of information about employees, their contacts and various responsibilities; managers can easily contact them or see what is happening within the firm.

#### 3.3.3 Wall of Ideas

Although most problems need to be solved quickly, there may appear some that do not and we can take time to manage them. For this instance, the board of ideas is a perfect method.

The principle consists of writing a problem on a board or wall and all the participants are supposed to contribute with their ideas. Everyone in the meeting must be involved in the problem and need to have the willingness to contribute. They use small sheets of papers the size of cards, and write down thoughts about it. Then people stick the cards on the board. In the end, the responsible person allows time to summarize the ideas and to evaluate them. It should be remembered that there is only one person who runs the session and it is this person that writes the problem on the wall (Higgins 1994, 142).

Sessions can be run by managers twice or even more times. Employees can take time to think about the problem at home and write other ideas down later on.

## **3.4 Influence on Success of Problem Solving Techniques**

Treffinger writes, "Through many years of research, development, and experience with creative problem solving groups, we have identified a number of factors contributing to success. These include: Warm-Up; Remembering and Following the Basic Ground Rules; Important Logistics; Time; Appropriate Teamwork and Group Dynamics; Role Definition and Clarity; and Idea Support." (Treffinger, Scot, Isaksen, and Dorval 2000, 63)

I personally agree with the contribution of these factors, but there are some of them that I find very interesting to mention furthermore. These are: Warm-Up, Time and Appropriate Teamwork and Group Dynamics. These three are considered to be the easiest to learn or implement into the ritual before the onset of problem solving.

#### 3.4.1 Warm-Up

For producing creative ideas, we need to take time to calm down and relax; we have to warm-up. Then, to start thinking about the reality, you might try to listen to music and try to catch the words; to elaborate the sentences in the song (Treffinger, Scot, Isaksen, and Dorval 2000, 64).

#### 3.4.2 Time

This complex problem solving technique commonly consists of more parts and they need time to be implemented into a corporate meeting (Treffinger, Scot, Isaksen, and Dorval 2000, 65).

The length of meetings and time we spend on them has to be considered. The lack of time depends on the nature of the assignment; the attitude to the problem is also very important.

#### 3.4.3 Appropriate Teamwork and Group Dynamics

To be successful at solving problems, it is fundamental to find a group of people who are talkative and have good manners, and are reliable. The team players should be aware of the role they will play at the session, and that they are responsible for their behavior and results (Treffinger, Scot, Isaksen, and Dorval 2000, 66).

It is necessary to be be aware of negatives created by groups of people (see chapter 3.3). It is recommended to build a team with similar personal characters.

## 3.5 Importance of Problem Solving Techniques

From time to time, leaders or managers find a problem or dangerous situation when the technique should be used. Unfortunately, they don't use them very much because it absorbs time. Such manners are not welcomed from the best managers. They should take time to keep in touch with their employees and to listen to what the clerks say. There may appear someone who understands the market more than others and knows, for example, that the second quarter of their business year will be worse because of a new product from their competition. While the leader knows what happens, he can easily choose a problem solving technique and try to solve it. The reduction of his production will not be necessary, but perhaps the new marketing strategy would be enough. This manner can even increase his profits. If he did not choose one of the techniques, he would probably lose money.

Lots of managers solve problems with employees by canceling working contracts with them and employing new people. Although this may seem like the best option for them (it doesn't take much time at all), it is not right and it is often more expensive to hire new ones. The costs for human resources officers and the expenses on training new employees are high, and it usually takes time to learn everything about the corporate culture. This gives managers reasons why the problem solving techniques are so important, and why it is essential to take time and try to solve all the problems in their firm. Using such steps, their budgets can be saved and loyal and experienced people with qualifications will be saved.

## **4 BRAINSTORMING**

People should value their mind and their brains to be effective. Applying your brain power is essential to being creative, and if you do not use it, you can easily become unhappy. Humans do not train themselves and allow themselves to think about meaningless thoughts. This leads to a waste of neurons. They should focus only on the important things and train their brains to think about certain ideas creatively (Maisel and Maisel 2010, 1).

Taking care of our mind is necessary. To train our brain and learn how to work with it to be more creative and better at this technique is vital (see chapter 3.1).

## 4.1 General Information

Brainstorming is a method created by Alex Osborn. It is likely to be one of the most known techniques amongst people. The word brainstorming consists of two words, brain and storm. Everybody knows what brain and storm mean, but they were connected to express a way of coming up with something new, to storm new ideas.

Brainstorming techniques can be used to solve many types of problems, not only regarding competition or employees. Thanks to the group, this method helps to create lots of ideas (Higgins 1994, 120).

Brainstorming can be divided into structured and unstructured; to the structured side belongs classical brainstorming, which has its rules. The unstructured one is not led by anyone and does not have any rules (Proctor 2005, 118).

In my bachelor thesis I will write only about the guided or structured technique as it is thought that this one is more effective. The unstructured method has no structure in the process of running the session.

## 4.2 **People Participation**

As is known, the brainstorming technique is a method for groups of people. It means that more than one participant is needed to fulfill the statement (see chapter 3.3).

It has to be decided whether a private session or a more unfamiliar one is required. Both have their negatives and positives. While applying this technique to a private session consisting of only five or six employees, we risk the potential loss of some employees which leads to the end of the group. Unless you want a personal meeting, you can choose the unfamiliar session. It can be held with hundreds of persons. Such a large group can provide many innovative ideas, but it loses its familiarity (Maisel and Maisel 2010, 177-178).

Also, nervousness from strange unknown people may cause others to not speak loudly and be afraid of some other team members. The productivity of ideas will rapidly decrease as complete silence does not generate anything that the session was intended to.

#### 4.2.1 Managing a Group of People via Internet

Running this method is not just about its participants, but also the way it operates is highly crucial. Most leaders choose a session with a certain amount of people in their office; yet the meeting can also be provided otherwise.

The brainstorming technique can also work through the use of internet communication. Participants communicate by e-mail or other mediums. Such a method helps to save time and money. Managers do not have to book non-residential premises for the meeting, and the interactive tools for the session are also not required there. It has its pros and cons; the pros have been already mentioned but the cons are mostly due to the lack of contact. Still, these cons can be managed easily by adding visuals to the internet session. To be more creative in the brainstorming held via internet tools, we can use many advantages of it. There are plenty of possibilities; one of the best is to create an account at one of the best known portals, such as Yahoo or Google. You may upload your ideas on blogs or upload your photos which can be helpful to the brainstorming. The indisputable advantage is that all the archived messages from previous online meetings can be seen, and participants can go through them or work on them whenever they want or have enough time (Maisel and Maisel 2010, 178-179).

One thing is to know the theory about the online meeting, but the other thing is the practice. Nobody actually knows with which phrases to begin the internet session and how to attract the audience. When speaking in front of people, it is easy to recognize their mood and adapt your speech according to it, but if the manager does not use visuals and cannot see any of them, he should use appropriate sentences.

The introductory letter should consist of greetings, it should be thankful to all people that participate in the session. Then it could be mentioned what it is he hopes for and what the problem is. He should not forget to tell them how to interact with him and others (Google, Yahoo, or other accounts). Arranging deadlines for the ideas or time to reply is also a great suggestion (Maisel and Maisel 2010, 183-184).

## 4.3 **Process of Brainstorming**

Every technique has its process; certain stages that have to be fulfilled to continue to another. Here, in this part, I will write about the most important rules, about leaders and tools, and about defining a problem.

#### 4.3.1 Interpretation of a Problem

The problem in a company has already been recognized (see chapter 1.1.3), but four options on how to write the defined problem down before we start with the brainstorming remain. The best way to interpret the problem is to use the "how to" technique. It means that you write the difficulty in a sentence starting with "how to":

- Original problem (How to expand to rich countries without difficulties).
- Sub-problem (How to find rich countries).
- See the problem differently (How to persuade employees to move).
- Use metaphor to describe the problem (How to find free rein), (Proctor 2005, 122).

#### 4.3.2 Rules

Participants of an online or personal meeting have to keep to certain rules to run a successful sitting. These are mainly related to employees, as they can sometimes be critical to others. Amongst these rules belong:

- Don't criticize
- Say crazy ideas
- Say as many ideas as it comes up into your mind
- Use previous ideas and improve them (Proctor 2005, 119)

#### 4.3.3 Role of Leaders

Before starting the session, recognizing if all the people there feel comfortable is crucial. However, if a manager tries to save some money when booking non-residential premises in a dirty and dangerous place, nobody will go there. It is also his duty to arrange cozy furniture for every single person. Marker pens, whiteboard and good visual aids should be provided, because people lacking desire to continue with the brainstorming aren't productive.

The role of leaders in a group is to let the participants know about the dates when the meeting will be held. When it comes to the brainstorming, he writes the problem on the

whiteboard or uses visual tools to project the sentence on the screen. After the definition of the problem, the leader of the group then asks for solutions (see Figure 2). When the session starts, the leader is there just to help participants communicate. To keep to the rules is important (see chapter 4.3.1), because if even one of the people breach them, especially in the case of criticism, the sense of a brainstorming meeting is lost. Once the session is over, the leader of the group attempts to divide the ideas. First will be the most important, and the most useless will be the last one. However, the useless one can also be helpful, so the leader will ask the audience to find a different version of it. The session shouldn't take more than forty minutes, as it may become exhausting (Higgins 1994, 120).

For all purposes in the session a secretary can be employed too as, primarily, in the case of a personal meeting it is an advantage. She writes down all the ideas instead of the leader; the leader then has more time to support participants (Higgins 1994, 120).

If no secretary is available, an internee or part-time employee can be hired for this event. He or she might learn from the session something about colleagues and can gain an experiential advantage over other candidates for a position in the company.

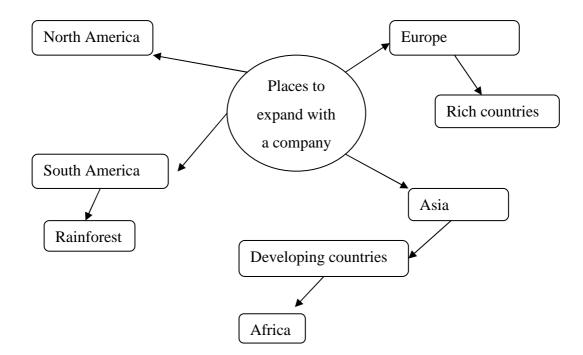


Figure 2. Brainstorming New Ideas (self-created)

In Figure 2, it can be seen how brainstorming works and how the ideas are generated. Every idea is based on previous ones. There is a crazy idea about the rainforest, but also a very good one regarding rich countries. Such an example is just the beginning of the brainstorming session, at the end of the meeting; it would consist of many more ideas.

## 4.4 Use of Brainstorming Method by Companies

Many firms use brainstorming a lot, but the public do not know it. It is used to solve lots of different problems.

The International Paper Company is one such company. It is an international packaging company with its headquarters in New York. They design packages for their customers' products. For instances of brainstorming, they have the Innovation Center, where they come up with new ideas for the design of products. One of their most significant inventions is a new kraft paper which has the ability to decompose much faster than the previous one (Higgins 1994, 122).

Federal Express also used brainstorming to find problems with the delivery of packages. They established special teams to find problems and to come up with possible solutions. Also, at the Grummer Graduate School of Business at Rollins College, a few students came up with new ways to advertise three MBA programs. They brainstormed more than three hundred ideas and it took them only about forty minutes (Higgins 1994, 122).

It was Roger Milla, celebrating his four goals in the World Cup in 1990, who interested the team of the Coca-Cola Company. They came up with a campaign by using the problem solving technique, brainstorming. Everyone must remember the dancing football players celebrating their win in the advertisement in 2010 (Tripodi 2010).

## **5 MIND MAPPING**

The mind map is the most perfect tool for organizing our brain; it is as perfect as a genuine Swiss knife. It is the easiest tool for getting information into the brain or out of it. Mind mapping is the most effective and creative means for making notes (Buzan 2007, 14).

This technique can be also be used to learn vocabulary for business meetings or presentations (see figure 4). It is a great way to study faster.

## 5.1 General Information

The method was originated by Tony Buzan and he also wrote many books about this topic. "This technique is based on research findings showing that the brain works primarily with key concepts in an interrelated and integrated manner. Whereas traditional thinking opts for columns and rows", says Higgins (Higgins 1994, 87).

Mind mapping is a technique which is for individuals; it can be also called an individual brainstorming process. The main difference between brainstorming and mind mapping is in the amount of ideas. In case of the method for groups, you want as many ideas as is possible and the more absurd, the better (Higgins 1994, 87).

Sole persons may use it wherever they are located and they don't have to rely on others. It is a great choice for lone players.

## 5.2 Mind Map as a Tool

The process is mapping our considerations. We may compare the mind map to a plan of a city (see figure 3); in the middle of it, we can find a city centre with main streets leading to the centre and the side streets are like other ideas about the main centre street (Buzan 2007, 14).

Everyone can see the mind map in various subjects. In my opinion, I would compare the mind map to certain carnivorous plants. There are some species such as sundews which trap, and the whole body looks very similar to the mind map.

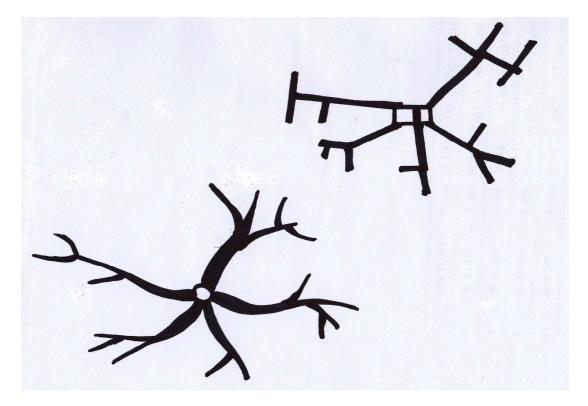


Figure 3. The Mind Map and City Centre (Buzan 2007, 14)

In figure 3, the similarity between the city centre and the mind map and the levels of streets can be seen clearly. The first drawing in figure 3 on the left is the mind map and the second one is the city centre. Both pictures are alike.

In figure 3 you can see that they have many things in common:

- They give us global sight on the aggregate area.
- They enable us to plane certain routes and to choose best steps. Thanks to them, we know where we are and what to expect.
- Lots of entries can be found on one place.
- They enable problem solving because they enable us to explore new ways.
- It is pleasure to go throw them, keep thinking about them and it is easy to remember all (Buzan 2007, 14).

## 5.3 Running the Mind Mapping

First of all, managers have to decide on basic points which are important to run a successful session. The way of running the mapping, or how it will be implemented, belongs amongst these points.

Mind map notes can be provided by hand, they can be drawn, but a computer can also be used. On the internet, we may find software created for this purpose. It has its advantages, such as saving time by drawing or deleting certain ideas (Proctor 2005, 200).

One of the most purchased is SmartDraw, which has online support and automatic formatting. Other useful software solutions are MindManager from Mindjet, MindGenius, and software manufactured by Tony Buzan, iMindMap. It is easier to run internet mapping because there are enclosed manuals for users.

When beginning classical mind mapping (drawn by hands), certain things are required. These are: white sheets of paper, colorful pens and pencils, our brain and our imagination (Buzan 2007, 14).

The process of running this method is composed of seven important steps. By using these steps we will be able to create the mind map:

- Start in the middle of a sheet of white paper. If you start in the middle, you give you brain space to work all directions.
- Try to express your main problem or imagination with a picture; pictures are more substantial than words and it helps to apply the whole brain.
- Use colorful pens and pencils because of them the map will look more lively and it stimulates the brain, which then gets more energy to think and everything appears funnier.
- Connect main streets to the picture; these streets may look like branches of a tree. To the main branch connect the side streets which are at second level, then continue with the third and fourth level, etc. The connection between these levels is very important because our brain can remember and understand the problem better.
- Draw branch as curves and not as straight lines (see figure 4). If we use just lines, our brain gets bored of it.
- For each curve use just one single word or collocation. This is because single words increases efficiency and flexibility of mind map notes.
- Try to use pictures in the whole mind map, as ten pictures is equal to tens of thousands of words (Buzan 2007, 20).

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Figure 4. Mind Mapping Notes (self-created)

In figure 4, the use of colors and pictures in the mind map is visible. It looks interesting, and my brain is more interested in the picture rather than if it was painted in black and white. Such a mind map can also be used to cover all the necessary vocabulary for a meeting in the French language and it will be easier to learn it.

## 5.4 Advantages of Mind Mapping

Using mind mapping does not have significant disadvantages. It can be said that the only two negatives would be that it limits people who do not possess the ability to draw, but such a problem can be solved by buying software providing this functionality. Also, to run the mind mapping, the person should be impulsive and creative, so if someone thinks that he lacks these abilities, he may use another technique.

This technique saves the time of all managers, because the process of creating the maps is based on writing only the most important and relevant ideas or words. And if managers don't write too many nonsense words, spending the whole day reading them is

not needed. This technique also works very well because the human brain has passion for compactness (Buzan and Buzan 1994, 89-90).

The mind map can also develop our personal skills. We are more creative and able to learn new things faster than others because we are concentrating better. Our communication and coping with problems becomes improved. Managers using it have high-quality organizational abilities (Buzan 2007, 15).

## 5.5 Public Awareness

Not only is brainstorming very popular nowadays, but this method is also used rather well. The problem is that many managers do not know how to run such a session. Still, lots of people who know it and use it can be found.

The technique is being imported by leaders of companies into the corporate world. One of them is Michael Stanley who works in Boeing's technical department. He used mind mapping to know what to do at work, and to be able to show the top management how he is performing. Another person is Joelle Martin, who came up with a better solution which helped her to find out who was not working well and who should leave the organization (Higgins 1994, 89).

Not only these people are famous for implementing the method, but we may find that also famous and great persons wrote notes in this way, such as Charles Darwin, Pablo Picasso, Marie Curie and Sir Winston Churchill (Buzan 2007, 16).

## 6 **RECOMMENDATION FOR PRACTICE**

In my opinion, the techniques I have mentioned (see chapters 4 and 5) are very important to keep a successful company running. Some recommendations have already been stated within certain topics, but I would like to point out the main ideas.

The usage of brainstorming by managers in a large group of people with team spirit is suggested. They should be team players and have a willingness to help the company. The mind mapping technique is more suitable for individuals and such a method is advised for managers without participants; it also might be a great choice for a slightly unpopular person in charge of the firm.

Modification during running the brainstorming session or drawing a mind map is recommended because techniques in general are universal and they are waiting for alteration. It is up to each person how he or she will adapt certain methods to their needs. However, adaption of techniques is enormously contributive; the manager should keep the basic or general rules of each single method.

Concerning the successful implementation of problem solving techniques, following the basic principles of the process of implementing them is advised. This means checking the environment carefully and identifying the problem correctly, because without recognizing and analyzing the surroundings, choosing the appropriate method will not allow it to thrive. That is the origin of why many possibly successful managers select incorrect techniques, and the result cannot be a success.

Although managers cannot influence the occurrence of lots of problems in the firm, they should do everything to avoid them. They should learn how to cope or deal with difficulties, and to know the basic techniques of solving them. Visiting courses regarding problem solving topics is essential. Many of them can be found on the internet and this would be the best start for solving problems within a company.

## CONCLUSION

The aim of this bachelor thesis was to point out the importance of the correct usage of problem solving techniques and to demonstrate how the two best known methods should be used. The aim was also to depict problems that might appear within a company and help managers to face them; to acknowledge the reader with general information about problems and techniques.

Today, it is essential to know how to deal with troubles at work; managers especially should know how to cope with problems occurring within companies. In the first part I was interested in the problems that might occur in a firm, and I described methods of recognizing and prioritizing them. I described the initiators of problems. It is important to divide the initiators according to their origin. Inner sources of problems cause different problems than external sources. Because I found competition the worst initiator for firms, I focused on that topic. Competition may affect a whole company, even its employees. I described the strategy how to analyze the competition and how to avoid it.

After dealing with problems, I depicted the main information about problem solving techniques, and I provided examples of many methods for individuals or groups. The influence on successful problem solving was described in the bachelor thesis too. Many influential factors exist, and I focused on the three most important, because preparation for the problem solving session is one of the most crucial parts of the whole process of dealing with difficulties. Then I focused on brainstorming and mind mapping. Brainstorming is a technique that should be run by a group of more than two people and, on the other hand, mind mapping is a method for individuals. Also the difference between these two techniques is highly visible in the text. I tried to prove the evidence of the positives of the implementation of these techniques using examples from successful managers. Concerning brainstorming, I worked on common ways of running the session, but I also focused on managing people during the meeting via internet, because nowadays, managers incline to the most efficient manners, and as I wrote, the brainstorming meeting via internet is very productive.

I stated my personal suggestions and recommendations in the last chapter of this work. These should clearly demonstrate that techniques or methods can be adapted to special requirements according to individuals. The main aim of this work was to provide general information about problems occurring in companies, and to provide an overview of the problem solving techniques and their importance for running a successful company.

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## LIST OF ABBREVIATIONS

- MBA Master of Business Administration
- CEO Chief Executive Officer
- SWOT Strengths, Weaknesses, Opportunities, Threats

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