Problem Solving in Organizations

An indispensable guide enabling business and management students to develop their professional competences in real organizational settings, this new and fully updated edition of *Problem Solving in Organizations* equips the reader with the necessary toolkit to apply the theory outlined in this book to practical business problems.

By encouraging the reader to use the theory and showing them how to do so in a fuzzy, ambiguous and politically charged, real-life organizational context, this book offers a concise introduction to design-oriented and theory-informed problem solving in organizations. In addition, it gives support for designing the overall approach to a problem-solving project as well as support for each of the steps of the problem-solving cycle: problem definition, problem analysis, solution design, interventions and evaluation.

Problem Solving in Organizations is suitable for readers with a wide range of learning objectives, including undergraduates and graduates studying business and management, MBA students and professionals working in organizations.

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A Methodological Handbook for Business and Management Students

THIRD EDITION

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CAMBRIDGE UNIVERSITY PRESS

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477 Williamstown Road, Port Melbourne, VIC 3207, Australia

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103 Penang Road, #05–06/07, Visioncrest Commercial, Singapore 238467

Cambridge University Press is part of Cambridge University Press & Assessment, a department of the University of Cambridge.

We share the University's mission to contribute to society through the pursuit of education, learning and research at the highest international levels of excellence.

www.cambridge.org
Information on this title: www.cambridge.org/9781108416269

DOI: 10.1017/9781108236164

First published 2007
Second edition 2012
Third edition 2018
3rd printing 2019

A catalogue record for this publication is available from the British Library

ISBN 978-1-108-41626-9 Hardback
ISBN 978-1-108-40277-4 Paperback

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Preface

This handbook gives a methodology for problem solving in organizations. Its primary target audience consists of undergraduate and graduate students in business and management. However, the problem-solving methodology given in this handbook can also be used by other people working in an organizational context, like (junior) management consultants, engineers and professionals in hospitals or government agencies, as well as students in other disciplines than business and management but who expect to work in an organizational context.

This third edition is a major revision of the 2012 edition, as well as being much more student-friendly. It is written for *you*, the business and management student. We owe many thanks for the contributions to the first and second edition of this book by our former co-writer, Dr Hans van der Bij.

The core idea in writing this textbook is that business and management course programmes are to educate professionals, not researchers. The key competence of any professional, like a medical doctor, engineer or lawyer, is *knowledge-intensive field problem solving*. This also applies to graduates of business schools, by most considered as professional schools. A powerful way for students to develop this key competence is to engage in problem solving in real organizational settings under academic supervision. By solving 'paper cases' you can develop a number of cognitive competences, but certainly not all the competences that are needed to be successful in the fuzzy, ambiguous and politically charged real-life organizational context. This handbook aims to provide you with a strong methodological basis for problem solving in organizations.

The theory given here can best be mastered through a – possibly brief – classroom course in which the contents of this handbook are discussed and in which, on the basis of some (paper) cases, training is given on issues such as problem definition, developing a project proposal, problem analysis and solution design. However, a much richer learning experience can be realized if such classroom training is followed by the further development of problem-solving competences through actual problem solving in the field, individually or in a (small) group. In this way the student can develop real 'clinical experience'.

The scientification of the field of business and management has enabled it to develop into a respectable social science. This has led to the idea that the core

competence of the business or management graduate is carrying out good explanatory research and that fieldwork for a business or management student should be doing this type of research. For academically trained people in disciplines such as sociology or ethnography, carrying out good explanatory research is indeed their core competence, and so for students in these disciplines fieldwork typically consists of doing descriptive and explanatory research. However, as mentioned above, we believe that the core competence of business or management graduates is not to do sound explanatory research, but to do effective knowledge-intensive field problem solving; in other words, not just researching 'the actual', but also designing and realizing 'the preferred'.

Business or organizational problem solving is very different from business or organizational explanatory research. There are many books on methodology for business or organizational research, which are often quite similar to more general social science research methodology. However, they give the methodology for analysing *what is*, and focus on the development of descriptive and explanatory knowledge. In business or organizational problem solving, on the other hand, the focus is on designing *what can be*, or *what should be*, in order to improve the performance of a specific business system on one or more criteria. In order to be able to design a business system, or to redesign an existing one, you must analyse the present system and the possible causes of its less than satisfactory performance. For this, many standard methods of social science research can help. However, problem and context analysis is only a part of field problem solving. These analyses should be at the service of the subsequent design of solutions (and the associated change plans). Therefore, the methodology given here is *design-oriented*: a problem-solving project following this methodology aims at the design of a sound solution and change plan, and at the subsequent actual realization of performance improvement with the help of these designs. It is about realizing business performance improvement on the basis of sound plans. It is not about making just sophisticated analyses.

The methodology of this handbook is also *theory-informed*. In practice, problem solving in organizations is often carried out in a craftsman-like way, on the basis of business experience and common sense. However, the methodology presented in this book is theory-informed, aiming at designing business solutions, based on state-of-the-art thinking on the types of business systems and types of problems in question and on the methods to be used in solving business problems (without, of course, discarding common sense and relevant experience). Because of this, our approach can be regarded as a methodology for

evidence-based practice (EBP). In fact, this book may be regarded as a foundation course in EBP in business and management.

Our approach builds on the traditions of rational problem solving. The types of problem that are best suited to this approach should have a significant substantive content, needing a knowledge-intensive strategy for analysis and design. At the same time, the approach recognizes that organizations are social systems, that realizing improvements in business system performance entails organizational change and that effective organizational change needs not only technical and social-economic interventions (such as the presentation of a promising solution to the problem), but political and cultural interventions as well. Therefore, our focus is not simply on the design of solutions but also on the design of the change process that is needed to actually realize the performance improvement, and on the development of organizational support for the solution and for the change plan. So, the student-consultant will play the role of the expert as well as the role of process facilitator (at least by preparing the change process, needed to solve the chosen problem).

Business schools tend to be regarded as professional schools, like medical schools and engineering schools. In this view, business and management graduates are regarded as professionals, implying that knowledge-intensive problem solving (or EBP) is their core competence. However, in an *academic* approach to the profession, graduate students also need to develop the competence to add to the knowledge base of their field (just as medical doctors and engineers need to be able to add to the knowledge base of their fields, even if field problem solving is their core competence). Field problem-solving projects generate a rich knowledge base, which can be used not only to solve the specific problem at hand but also as a basis to generalize across cases, thus developing new and relevant generic knowledge. This book will also give methodological support for using the results of field problem solving for research, more specifically for design science research. If academic supervisors choose the projects they are to supervise in line with their research interests, these projects can provide strong support for their research output.

Field problem solving should, in our opinion, be a very important element in any business or management course programme, as it aims to develop your core competence as a business and management alumnus. However, it is carried out in a terrain that has many more pitfalls and traps for the unwary than a university library. We hope that the methodology given in this handbook will help you, the student, to navigate this challenging but important and rewarding landscape.