

# Chapter 3

## Research Problem Definition

### LEARNING OUTCOMES

**After studying this chapter, you should be able to**

1. Definition of a Management Problem
2. Definitions of Problem Discovery and Problem Definition
3. The Process of Problem Definition

### **Definition of a Management Problem**

**Problem:** existence of a difference between the current conditions and a more preferable set of future conditions.

**Management Problem:** a development that necessitates a decision to cope with difficulties and threats, or to exploit opportunities.

**Problem Discovery:** getting aware of some symptoms of a management problem

**Problem Definition:** The indication of a specific business decision area that will be clarified by answering some research questions.

### **Ascertain the Decision Maker's Objectives**

Managerial objectives should be expressed in measurable terms; however, line managers seldom clearly articulate their problems to the researchers.

Researchers should try to understand the problems by interviewing the related managers and collect information from other sources.

### **Understand the Background of the Problem**

**Situation analysis:** the informal gathering of background information to familiarize researchers or managers with the decision area.

**The Iceberg Principle:** the dangerous part of many business problems is neither visible to nor understood by managers.

### **Determine the Research Objectives**

### **Determine the Unit of Analysis**

**Unit of Analysis** indicates what or who should provide the data and at what level of aggregation: Individuals, households, organizations, etc. 2

In many studies, the family or the firm rather than the individual may be the appropriate unit of analysis;  
Then, data collected at the individual level should be aggregated at a higher level to the firm, work group, or family.

### **Definition of Variable**

What is a Variable?

Anything that varies or changes from one instance to another; can exhibit differences in value, usually in magnitude or strength, or in direction.

What is a Constant?

Something that does not change; is not useful in addressing research questions.

### **Types of Variables**

Continuous variable

Can take on a range of quantitative values.

Categorical variable

Indicates membership in some group.

Also called classificatory variable.

Dependent variable

A process outcome or a variable that is predicted and/or explained by other variables.

Independent variable

A variable that is expected to influence the dependent variable in some way.

### **Research Questions**

In order to achieve research objectives, researchers should develop research questions, and try to answer them through research.

Research questions are about the nature of relations among variables.

Examples of research questions:

What are the reasons of sales decline?

What are the drivers of customer satisfaction?

What are the relations between new designs and customer satisfaction?

### **Hypothesis**

An unsupported proposition to answer a research question to be tested by research 3

H1: Decline in the purchasing power of the clients decreases the total sales of the industry.

H2: New designs increase customer satisfaction.