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## CASE STUDY METHOD IN BUSINESS EDUCATION IN THE USA

### ABSTRACT

*Business Education is dynamic in nature and needs diverse information to deal with different business problems. To understand the peculiar situations and to manage them effectively, case studies are widely used. Researchers in education have already demonstrated that students' active participation in the educational process increases their learning outcomes. Methods of small group activities, case studies and cooperative student projects give the opportunity to participate actively in the learning process by talking, reading, writing and reflecting. Case-based learning is an essential part of business education as it enables students to discover and develop their unique framework for dealing with business problems. The important peculiarity of the business case study is that it introduces a slice of realism into the learning experience. The case study method helps the students in developing wisdom and gives lot of scope for knowledge application. Nowadays, business education should be much more practically oriented and has to consider the main features of a modern competitive global economy. Lectures and discussions are not any more the most effective teaching methods. As research results show, the case method is the most effective teaching technique of future career preparations and practical application skills in today's business environment as it enables students examining different business situations in various cultural and economic perspectives, opening up their minds by solving the problems of the real business situations.*

**Key words:** case study method, business education, business situations, global economy, teaching methods, competitive advantage.

### INTRODUCTION

In the current global world economy success can be achieved primarily through constant innovation in the greatest possible number of areas of social and economic life. A knowledge-based economy, innovation, lifelong learning and creative problem solving are notions which have permeated the literature and media publications which discuss the current challenges faced by societies and economies worldwide. The disappearance of physical borders has exposed societies and states to direct competition, and the winners will be those who can learn quickly and who can quickly adapt to the rapidly changing circumstances. Innovation is a direct result of the level and quality of a society's education and is determined by the capability of the education systems to constantly enhance the quality of teaching and to introduce new, more effective teaching methods.

Business students need to develop skills that require problem solving, critical thinking as well as understanding global businesses since the world has become more integrated and affiliated. Case-based learning is a core feature of business education since it enables students to discover and develop their unique framework for dealing with business problems.



### THE AIM OF THE STUDY

The aim of the paper is to analyze main case methods that are used in business education in the USA as well as to highlight the basic advantages and disadvantages of case-based learning.

### THEORETICAL FRAMEWORK AND RESEARCH METHODS

The business education could play an important role in social uplift and triggering the entrepreneurial spirit in a society. Due to the world becoming more integrated and affiliated, the business world has become more demanding. Most companies and organizations require especially business graduates to have a global perspective and an understanding of different cultures (Yamazaki & Kayes, 2004). S. Jain claims that business schools should emphasize synthesis, pushing for a broader educational environment to help students develop decision-making skills that mirror the real world environment of international business (Jain, 2009).

Researches in education have clearly demonstrated that students' active participation in the educational process increases their learning and retention. In an active, collaborative, or cooperative learning environment, students take more responsibility for their own education, and teaching effectiveness increases as the teacher becomes a facilitator and coach rather than a lecturer (Pariseau & Kezim, 2007). Methods such as small group activities, case studies and cooperative student projects give students the opportunity to actively participate in the learning process by talking, reading, writing and reflecting (Meyers & Jones, 1993). Case-based learning is now a core feature of business education programs. Researchers and educators in business have used case study methodology in different areas in business courses. For example, in enterprise education (Tunstall & Lynch, 2010), in introductory business courses (Cochran, Reck, & Shullery, 2011), in accounting education (Hassall & Milne, 2004), in business statistics (Pariseau & Kezim, 2007), in business demography (Swanson & Morrison, 2010).

At the same time theoretical analysis of scientific works shows that the problem of case study methods in business education in the USA has not been researched and developed in theoretical and practical aspects on the appropriate level yet, what makes this problem rather urge. The method of theoretical analysis is used in this paper.

### RESULTS

Case-based learning is defined as a method that involves studying actual business situations – written as an in-depth presentation of a company, its market, and its strategic decisions – in order to improve a manager's or a student's problemsolving ability. Cases are typically used to investigate a contemporary issue in a real-life context. There are multiple issues to consider and many "correct" or viable alternatives to solve the case issues are presented (Helms, 2006).

The case study method usually presents a specific business situation and displays a dilemma or uncertain situation for the person who is supposed to make a decision. Case studies are developed by academic centres and other training or research institutions for specific research or pedagogical purposes, which do not mean that each case study has one predetermined correct solution. Case method is of a multidimensional nature and composes an interconnected system of related aspects that combine to constitute the emergent phenomenon. The major paradigms of this method are based on social constructivist approach, realistic, interactive, contingent, critical, holding positive constructivism position.

The percentage of case study dependency ranges from 20% to 80% in the top business schools in the USA (see Table 1). It gets varying degrees of support from the other



methods of teaching – lectures, group assignments, experiential learning (internships, real world assignments would fall in this category) (Sameer, 2013).

Table 1

**The percentage of case study usage in the top business schools in the USA**

Business School	Case Study	Lecture	Team Project	Experiential Learning
Harvard Business School	80 %	–	10 %	5 %
University of Western Ontario (Ivey Business School)	75 %	10 %	–	5 %
University of Virginia (Darden Schools of Business)	74 %	–	6%	10 %
University of California Berkeley (Haas School of Business)	50 %	20 %	–	17 %
University of North Carolina (Kenan–Flagler Business School)	50 %	20 %	–	15 %
Dartmouth College (Tuck School of Business)	45 %	23 %	20 %	–
Stanford University (Graduate Schools of Business)	40 %	20 %	–	15 %
University of Pennsylvania (Wharton School of Business)	40 %	20 %	25 %	–
Columbia Business School	40 %	38 %	15 %	–
Yale School of Management	40 %	34 %	–	10 %
Georgia Institute of Technology	40 %	25 %	25 %	–
The University of Texas at Austin (McCombs School of Business)	35 %	35 %	–	15 %
University of Notre Dame (Mendoza College of Business)	25 %	27 %	22 %	–
New York University (Stern School of Business)	25 %	25 %	25 %	–
Georgetown University (McDonough School of Business)	25 %	30 %	25 %	–
University of Maryland (Robert H. Smith School of Business)	25 %	25 %	20 %	–
Carnegie Mellon University (Tepper School of Business)	20 %	50 %	10 %	–

A distinctive element of the Darden School of Business academic experience is the case method of instruction. In contrast to a lecture-based approach to education, Darden class time is spent discussing cases about actual business problems and potential solutions. Under the skillful direction of a faculty member, students strengthen their communication and leadership skills by learning to take difficult decisions with limited information and significant uncertainty – critical skills for any current or future business leader. By actively defending their positions, students have a safe environment in which they learn to persuade and inspire others, to reconcile differing viewpoints and to prioritize objectives and capitalize on opportunities.

There is only one way to learn the demanding art of leadership – and that is by leading. Thus, a Harvard Business School education has been, and continues to be, rooted in the practical lessons of the case method. By engaging students in business conflicts



developed from real events, cases immerse students in the challenges they are expected to face. These challenges require thoughtful analyses with limited or even insufficient information, as well as effective responses within ambiguous circumstances or complex economic and political contexts and, most of all, demand decisive action that must be articulated – and even defended – among other talented, ambitious individuals.

Today, cases remain a popular method of study in business schools – especially at Harvard and the University of Virginia, where they are used heavily in the Master of Business Administration (MBA) programs. While technology, computer simulations, and other learning methods continue to grow, cases fill a much-needed function in the educational process of students, future managers and leaders. Cases are used in a wide variety of disciplines and areas of study. They are also popular for executive training and are used in weekend-format continuing education and professional development programs.

In their study of the skills of technologists, Birchall and Smith (1998) found that technologists are often seen as not having sufficient input into the strategic decision-making process of organizations. Thus, many turn to MBA programs to develop their knowledge, understanding and personal competencies. The case method has traditionally been used to aid in this educational process. They also stress the use of multimedia tools and groupware to create enhanced learning opportunities based on a dynamic case analysis.

Many groups and organizations also publish cases for educational use. Sources for cases for business schools include:

- The Aspen Institute Business and Society Program;
- The Batten Institute, Darden Graduate School of Business, University of Virginia;
- Harvard Business School;
- Richard Ivey School of Business, University of Western Ontario;
- South-Western Publishing Company's Case Net;
- Stanford Graduate School of Business.

Business cases vary from focusing on specific tools for analysis to comprehensive strategic decision-making problems. According to “an introduction to cases” published by the Harvard Business School, the function of a case is to provide a “description of real business situations that serve as a metaphor of a particular set of problems” (Shapiro, 1984). Lawrence described a case as “the vehicle by which a chunk of reality is brought into the classroom to be worked over by the class and instructor” (Lawrence, 1953).

Case method is based on the idea of educational growth through understanding of past experiences in order to understand future experiences. That is, students learn by reformulating past experiences conducting situational analysis, evaluating the circumstances and constructing actions for the particular situation (Ardalan, 2008). A good case must be appropriate for the level of student being taught (Bachelor, Master), be relevant to the course content and subject, and provide a way for students to practice the knowledge and skills they have gained either in this, or earlier classes (Weber, Kirk, 2000).

Over the years a wide variety of business cases types appeared in terms of form and intended learning outcome. The following listing of case types illustrates the extent variety of cases developed. According to Lundberg (2001), the types of the cases are these: iceberg, incident, illustrative, head, dialogue, application, data, issue and prediction. The specifics of the particular cases are described below:

**Iceberg case.** This type of case requires the student to apply one or more conceptual models that prompt the designation of additional, relevant information “below the surface.” An iceberg case typically provides little information and little structure, and essentially



provides a quick introduction to a situation that may or may not require a decision. Students are required to consider what additional information they might need and where and how they might be able to get it if they were in the top position. The desired learning outcomes are thinking through and comparison of alternatives, application of conceptual models/theories/ideas, problem identification, information gathering and assessment.

**Incident case.** This type of case often describes a single incident in specific detail, circumscribed by time and place. The desired learning outcome is the ability to compare the incident with either generally accepted practices and/or own experiences. Issues of problem identification are addressed, as well as information gathering. Incident cases stimulate discussion, and because of lack of information regarding context, may be used like iceberg cases. Students analyze how the environmental, organizational, and/or historical context of the incident would impact the situation.

**Illustrative case.** Illustrative case describes an event or process factually, and the information is fairly highly structured to illustrate the situation. The desired learning outcome is the ability to understand one or more business practices and how they are applied in the real world. This type of case brings reality into the class and demonstrates that the theory in textbooks may not always work out as flawlessly as implied in the class.

**Head case.** In the head case one or more key actors' activities, thoughts, interactions and feelings are described. The desired learning outcome is an ability to bring the assumptions, reasoning, attitudes, or needs – “to basically get inside the principal's head” and see how these are manifested in described action and interaction.

**Dialogue case.** The case describes the interactional specifics between or among two or more individuals. The student's task is similar to that of the head case described above. The desired learning outcome is the ability to empathize with, surface, or analyze the beliefs in the dialogue, and to look at the interactional dynamics between the actors and the consequences of style.

**Application case.** This type of case describes the application of a management technique or describes a situation in which the student can apply some known technique. The desired learning outcome is an ability to apply the technique or an appreciation of what must be taken into account in applying the technique.

**Data case.** Data case provides much information which may be totally irrelevant to the issue or situation. The desired learning outcome is a student's ability to find ideas in rich descriptions and/or to organize the data in a meaningful way, order and separate the data, foresee if a problem is worthy of the attention.

**Issue case.** In an issue case, a public matter or point is in question. The desired learning outcome is an understanding and appreciation of the antecedents, contexts, and dynamics of the salient issue.

**Prediction case.** Prediction case provides information in a structured format (a series). The student's task is to make a sequence of predictions about the focal actor's (person, unit) behavior or performance using some conceptual models. Part A of the case would be distributed to students, and they would be asked to make a prediction. Part B of the case would be distributed next, and the case discussion would focus on the students' prediction accuracy why they were correct or why they were unable to predict correctly. The desired learning outcome is an analysis of predictions accuracy (seeing what information or alternatives are overlooked, understanding how the use of models aided the understanding and prediction accuracy) (Lundberg, 2001).



According to the levels, the cases can be characterized as parochial, regional, national, international and global. Cases can also range from short, one-two page cases, to long, ten-thirty and more pages. But all cases imitate or simulate a real situation, are verbal representation of reality, and have a common purpose: to convey a real life situation with all its complexity, uncertainty, and roughness.

According to Dixit, the greater emphasis of case method is put on developing skills, attitudes, and habits. The managerial competencies that the method attempts to develop are:

- technical development and the use of tools, techniques, frameworks, check–lists, models of analysis, diagnostics, and decision-making;
- behavioral competencies (managing self- and interpersonal relationships for decision making and implementation);
- conceptual competencies (abilities to abstract and see patterns or their absence in multiple developments) (Dixit, 2005).

The American Association for Business Communication included the best cases for teaching communications in a special issue of *Business Communication Quarterly*. Rogers and Rymer report that their reviewer panel of experienced instructors agreed that the best cases include the following attributes:

- focus on the discipline;
- require decision making;
- furnish a business context;
- present an engaging story or scenario;
- provide sufficiently-realistic detail for analysis and response;
- function readily in a classroom setting;
- apply to a wide range of teaching philosophies and educational settings;
- relate to contemporary issues and problems (Rogers, Rymer, 1998).

The key benefit of case method valued by the students is the integration of an analytical-associative capability with a reflective capability that enhances learning and allows them to exploit and discover. Case method approach underlines the importance of “action learning”, facilitates independence, trust, openness, integrity, recognizes the importance of the non-rational and intuitive, and celebrates discussion and dialogue. The main disadvantages of case method usage are the following:

1. Case study method requires serious involvement both from the teacher as well as the students; unless everyone takes it seriously, the outcome cannot be productive. At times, it may turn counter-productive.
2. Every case is unique and more so the solutions. It is dangerous to generalize and apply them universally.
3. Optimal solutions are always dependant on resources available at that point of time. Decisions may need to be modified at a later date because there is bound to be some change in the resources which are dynamic.
4. It is always easier said than done. It is very easy to stand off and suggest on matters which do not affect us immediately; but it is very difficult to make even simple decisions when we are under tense situations, pressuring our minds which may not work at times of real crisis.
5. Cases should not be overused since the students might have already known the best answers. Giving them new cases will be possible only if we have storage of good cases which are updated.



## CONCLUSIONS

The case method of teaching is a method of instruction which emphasizes the student participation in the educational process, i.e. the student is expected to assess the facts, make the analysis, evaluate the considerations, and reach a decision. A good case must be appropriate for the level of student being taught (Bachelor, Master), be relevant to the course content and subject, and provide a way for students to practice the knowledge and skills they have gained either in this, or earlier classes. It should be noted as well, that the success of the teaching with cases depends on the selected case quality as well. Prospects for future research are considered in detailed study of the case method of teaching the future business specialists in Ukraine. American experience will be the most beneficial regarding the implementation of business education in the Ukrainian education space.

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