

Case Study Method in Management

Management education is mainly aimed at developing managerial skills in students. Amongst the various methods adopted in teaching management and management functions, the case study method developed in 1910 in U.S.A. and is now being propagated during the last decade or so, providing opportunities to both the teacher and the taught to promote managerial understanding and competence, since it helps in contemplation and discussion of an actual situation. It is a wrong notion that the case studies are confined to management students. Cases may pertain to any discipline, where skills for solving complex unstructured problems or preparing plans are required. The origin of case study methods itself can be traced to Harvard Lawyers. Cases may describe problems facing individuals, groups, institutions or even Nations.

Through a case study one learns a broad range of skills and has many alternatives. Case studies encourage the practice and attainment of analytical and communicative skills. Case studies allow a different kind of learning. It is close to the 'learn by doing' approach. Cases are intended to stimulate the reality of the manager's job. The material in the case provides data for analysis and decision-making. Cases require the student to make decisions about the situations presented and to defend those decisions. In real decision-making the student will have to persuade superiors that his analysis and solutions are the best and hence the communication and interpersonal skills are vital to success in management. Cases provide the opportunity to improve these skills.

A case is defined by Reynold as, "a short description in words and numbers, of an actual management situation". It describes the present and past position of the situation and the problem that is posed. All the data are provided. A case consisting of the history of the situation may be small or lengthy. Small ones may be lacking particulars and hence, may be taxing with more assumptions than realities, while lengthy ones may not project the conflict correctly and therefore solution may seem easy because there are not many alternatives. All available information may not be sufficient and at the same time of analysing a case, further information may have to be injected by reasonable assumptions about the unknown.

A written case study can be anything from 300 to 6000 words long. The length depends on the purpose for which it is being used, type of participants and availability of time. The parts of a case study generally are:

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| 1. Subject | : Motivation. |
| 2. Setting | : The office of the vice-president (Personnel) |
| 3. Data | : Nature and number of complaints received by the department. |
| 4. Background | : Type of complaints – low productivity, depressed morale of employees / workers. |

#1. Types of Case Studies

1. Informational type case studies:

These, include a variety of items like working environment, inter-organizational context, coordination, activities, problem areas, history of events, inhibiting factors on, decision making, etc.. This type increases 'awareness' about the environment and helps in the decision making process. This also helps in the evaluation of consequences of a decision.

2. Appraisal cases;

These involve problem solving and decision making process,

3. Historical cases:

These involve research and educational interests.

4. Project cases:

These are radical educational processes involving interests.

5. Live and experimental cases or Functional cases:

Social welfare rehabilitation or introduction of ideas and analytical concepts form the basis for these cases: These types of cases help-to analysing psycho/ social problems like drug addiction, alcoholism amongst workers, etc."

2. Objectives of the Case Study Method

The habit of logical thinking and conceptualization can be developed through a systematic study of cases: Analysis of cases enables arguing view points with peers and this again develops good communicative skills. The case study method of learning helps in developing skills on alternatives and decision-making. Case studies develop 'creative' problem solving techniques.

According to Geofftaston the following six major skills areas are developed through case studies:

1. Analytical skills·

One learns to classify, organize, and evaluate the information handled. Using this information one attempts to understand the situation described. This is, however, fraught with the danger of not thinking logically when the information is taxing.

2. Application skills

This is useful at a lower level where concepts and principles, are applied, e.g., discounted cash flow.

3. Creative skills:

When cases cannot be-solved by logical process alone creativity is a vital quality for a manager and is more useful in decision-making.

4. Communicative skills:

By writing well-constructed reports, analysis and by discussions, both written and,, oral communicative skills are developed.

5. Social skills:

Case discussions are essentially a social process. One learns to communicate, listen, support, argue, control oneself, etc. In fact, there is a belief that case courses are more a study of human behaviour than problem solving.

6. Self-analysis skills: A case is always useful in application of the situation to oneself and one can analyse the situation with reference to oneself. Thus, it helps in self-improvement.

3, Case Study and Different Areas of Management:

The cases of management cannot be properly analysed and solved unless the student has a thorough knowledge of the subject. The cases of General Management may be on the functions of management like planning, co-ordination, organization, control and decision-making. The cases also relate to the principles of management like division of labour, centralisation and decentralization of authority, span of control, equity, remuneration, unity of direction, unity of command etc. While solving the case problem the student must be able to know to which function or principle of management the case relates. It will enable the student to analyse the case properly as he becomes clear about what is 'required' as per functions or principles and what is lacking in the given situation of the case.

The cases of Personnel Management relate to recruitment, selection, induction, placement, wage and salary administration, promotion and transfers, career planning and development, job evaluation, performance appraisal, merit rating, job enlargement, disciplinary actions, motivation etc. The student must know the exact meaning of these concepts and procedures in detail and the practices in vogue for implementation of the same. Unless he knows it thoroughly, he may not be able to pin point the departure from standard practice, procedure or precedent and suggest remedial steps to restore the position.

The cases of Industrial Relations and Trade Unions consist of Industrial Relations, Industrial Disputes, efficiency of workers, payment of wages, bonus, collective bargaining, negotiations, strikes and lockouts, code of conduct and discipline, grievance procedure. The student must know the provisions of the various labour legislations to suggest proper action for resolving the problem given in the case.

There cannot be watertight compartments for various types of cases. The cases of General Management, Personnel Management and Industrial Relations are often intermingled, e.g., the case of Organization Structure and Promotion / Transfer, Organization Structure and Delegation, Delegation and Industrial Regulations, Career Planning and Wage Structure or Promotion. Job Enlargement and Strike etc. While solving the case problem, the student should know for which area of management he is solving the case problem and thus proper emphasis should be given on the selected aspect of the case and analysis should be done on those lines only.

4. Analysis of Case Problem:

The case can be analysed from different points of view. Usually there are four parties involved in the case, viz., the proprietor or top management, the middle management departmental heads, the employees or workers and finally the society in general (it includes consumers, distributors, investors, potential employees and those who are directly or indirectly affected by the organization), which is mostly disguised. While analysing and suggesting solutions, the student should try to look at the case from these different points of view and try to pin point violation of rules, regulations, code of conduct or precedents in vogue. The solution to be suggested must be in the larger interests of safeguarding the provisions of laws, code of conduct, rules and regulations to restore the normal positron. The solution should be in the interests of the organization, the weaker sections of the organization and society in general.

While analysing the case, the social, economic and political environment should also be taken into consideration, e.g. the background of poverty of workers, illiteracy in the country, outside political interference in trade union activities, lack of job opportunities in the country for labour mobility, liberalisation of the economy, impact of democratic principles on workers etc. Many times, the problem in the organization is created due to such outside factors. If the student is aware of these factors/situations, he will be able to analyse the case in its proper perspective and suggest a practicable solution.

The student should quote or give definitions of the authorities in Management Science or Economists in support of the suggested solution. The related provisions of various labour legislations should also be given correctly. The references to various theories and their inferences e.g. Maslow's Theory of Hierarchy of needs etc. will certainly improve the quality of the analysis and the suggested solution.

Case study method for personnel problems presents some typical difficulties. It is always difficult to get the facts - people in the same situation interpret and present them in different ways depending on their attitude and background.

Skill is required to inquire into what has happened or what people really want. The issue is frequently not clear for want of defined policies or procedures. It may also be difficult to establish objectives. People within the organization, including the top management, very often do not know what they want. Their needs are obscure and need to be defined. The case contains too much information, which is to be analysed. There is every possibility that the analysis may be useless. Judgment is necessary to study the evidence and to decide relevant points. Where human beings are concerned, symptoms cannot be easily separated from causes.

It is always necessary to take into consideration the past decisions, because there may be precedents. But there is much danger in being too concerned about past decisions. With the change of time, the circumstances also change. Decision should be made in the light of an objective analysis of the facts, not simply by reference to what has gone before.

It is always difficult to ignore the precedents but at the same time the wrong decisions in the past need not be continued. Precedents are important when dealing with personnel and industrial relations problems and care should be taken not to create a bad precedent for the future.

Personnel problems cannot be solved in a clear-cut manner. Situations involving people can rarely be seen in black-and-white terms. While solving personnel problems adopt an analytical approach to decision making but, in the end, you will have to rely upon your judgment in deciding on a course of action, which seems to be the best alternative available.

According to Raymond, the analyst should try to seek answers to following questions:

1. What is actual problem involved in the case?
2. What are the relevant facts?
3. What are the crucial unknown aspects of the scene?
4. What are the major critical questions related to each specific event?
5. In what ways can logic and reasoning be used to determine crucial inferences, connections and relationships?
6. In what manner can contradictory facts and arguments be weighed in making decisions?
7. What should be the proper timing of decisions?
8. In what ways can those decisions be best executed?

Schnells has given a ten-point model for solving case problem:

1. Identification of the problem.
2. Determination of facts.
3. Ascertainment of alternative courses of action.
4. Analysis of advantages and disadvantages of the alternatives.
5. Assessment of advantages and disadvantages of the alternatives.
6. Prediction of concurrent advantages and disadvantages.
7. Selection of best alternative.
8. Execution of the decision.
9. Filing the problem solution.
10. Comparing expected results with the actual results of the decision.

The steps suggested by Schnells are more useful for students and trainee executives to tackle case problems in practical life. They find opportunities; to put their own decisions to test and verify the results. The case study serves two purposes:

Firstly, the students or trainee executives have to face similar cases in future life as executives. The case will tell them how incidents take place, how there may be deep causes underlying the apparent expressions of happiness, distress or unconcerned attitudes and what can be done, as well as when and how to rectify the situation.

Secondly, the case study provides best material where the student can apply the principles he has studied so far, and test their validity. It gives confidence to the student, which will be of vital importance to him as an executive.

§ 5. Written Analysis of the Case Problem:

There is a little difference between the classroom discussion and written analysis of case problem. The following steps can guide the students to analyse the case problem and arrive at best possible solution.

1. Summary of the case: The important facts in the case are pointed out in brief. It is the indication that the student has grasped the contents of the case precisely.
2. Identify the problem involved in the case: After giving a careful reading to the case, see certain apparent problems in the situation. Some are very prominent and most immediate. Whereas some may be partially indicated. The student has to mention the basic problem interwoven in the case, e.g. a case may indicate failure in delegation due to too much interference of the boss; another case may indicate the need for taking appropriate disciplinary action to set things right with regard to labour management relations or State policy in respect of minimum wages etc. Such basic problem should be set out in clear terms. The problem is usually related with some basic principles of management or industrial relations. The student may indicate such principle basic to the main issue.
3. Analysis of the case: The case should be read carefully because each sentence may present an important fact. Some details in the case are directly or indirectly responsible for the problem situation presented in the case. The facts may concern resources, plans, people, actions, inter-relationships, industrial disputes, efficiency of workers, collective bargaining etc.

There are certain crucial issues related with the main problem. They must be identified from the facts of the case e.g., in a case of communication; finding out an appropriate communication medium to inform about a major policy decision may be the major problem. But the case may have several other facts like language barriers between the boss and the subordinates, past experience of the subordinates and their tendency to interpret communication in a particular manner, problem in communication due to too many levels, effect of non-participative techniques of decision making on communication etc. When all the problems and their relationship with the main issue is established, all the facts of the case will be clear. While making such analyses, students may show what kind of relationship exists between different actions and activities and what factors are likely to be responsible for the problem. Usually an organization chart is drawn to indicate exact formal relationship between different characters in the case. Positions on the organization chart also indicate the likely consequences of an action taken by a particular individual.

In the case of wage problem, the student may try to get answers to the following questions in order to assemble facts of the case:

- What are the types of wages? (living wages, minimum wages, need based minimum wage, fair wage etc.)

- Which facts determine the wages? (nature of work - skilled, unskilled, technical and table work - use of machines, extent of automation, elasticity of labour supply, wage policy)
- What recent changes have taken place in national wage policy? The facts like wage structure in different industries, different locations and the requirement of type of skill should also be taken into consideration while analysing the case.

4. Alternative solutions available: When the student has identified the problem, he should go on listing the various alternatives that come to his mind one after another. The students need not give a deep thought to each alternative at this stage. Student should look at the problem from various points of view and different interest groups. Each facet of the problem may suggest a number of alternatives to the student. He has only to enumerate them, e.g.. if the main problem is decreasing morale of the work group due to unfair attitude of an employee in group, several alternatives are : ignoring the issue, reprimanding the employee concerned, discussing the issue with him in confidence, asking him to go on leave for few days, taking disciplinary action, transferring him to another department, asking him to resign on his own etc. The alternative solutions range from very simple measures to very harsh action. The alternatives need not be listed according to desirability of action. The alternatives will come to the mind of a student like a spontaneous flash of lightning, once the process gets started.

5. Analysis of the alternative solutions: After listing all the possible alternatives, the merits, demerits and consequences of every alternative are judged and evaluated against each other. Continuing the same example, if a manager chooses to ignore the unwarranted behaviour of, an employee, things may get smoothened automatically and no ill-will will remain in the mind of the concerned employee, but there is also possibility that employee develop a feeling that every thing is tolerated, of they may draw an inference that the boss favours the said employee or the boss does not have the boldness to reprimand him. Different alternatives can thus be evaluated in the light of their plus and minus points, their immediate and far reaching effects and then the students may point out which of them could be taken into account, and which of them need not to be considered.

To maintain the status quo or to continue the situation as it is, should always be the first alternative solution. Not to take any decision on issue is the best solution to the problem. Time takes its own course and the normal situation is rectified / restored automatically, or let the situation deteriorate further. But while analysing this alternative solution, the student should state how it is advantageous if the situation is continued as it is. Give the merits of the alternative solution.

The student should also give the disadvantages / demerits or limitations of the alternative solution. If the situation given in the case is allowed to continue, how it will further deteriorate and damage the interests of concerned parties, e.g. if the employees are on strike and the status quo is maintained, the strike will be continued resulting into loss of production and ultimately loss of market.

In another example, in the given case if, the morale of employees is depressed and the status quo is maintained, it will result in employee frustration, affecting their productivity resulting into increased labour turn over rate and / or absenteeism. After taking into consideration the adverse effects of the alternative solution, the student should not advice it as a final solution.

6. Choosing the right alternative: Out of several possible alternatives, the student has to pin point, which in his opinion, is the best possible alternative. When he mentions that a manager should have taken a specific decision at a certain stage, he may also say whether the manager could have avoided the situation by acting in a particular manner at an earlier stage of the event He has to suggest an answer, or a way out from the problem in which the executive has ultimately landed. The student will have to justify why he is pleading for a particular solution and not another one by explaining all its aspects. The alternative that he is suggesting may have certain limitations, e.g., if he suggests written instructions as a solution, illiteracy of some of the workers may be a limiting factor. To make the solution workable, he will have to suggest a certain educational standard (o be introduced in recruitment policy.

The final solution the student suggests should be in accordance with legal and other statutory provisions. It should be objective, impartial and fair to all concerned. It should be economical as well as practical. It should be in harmony with other decisions and with the accepted ethical standards.

At the end of the case, some points, issues or questions are given to ensure a focus and predetermine the direction in which the discussion will go. While solving a case problem the student should not simply answer these questions. In the examination, these points, issues or questions help the student to focus on a particular angle. These points, issues or questions should be used for analysing the case problem. The case problem must be solved through the steps given above and after giving the final solution; the student should answer these questions, if (necessary) specifically asked for.

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