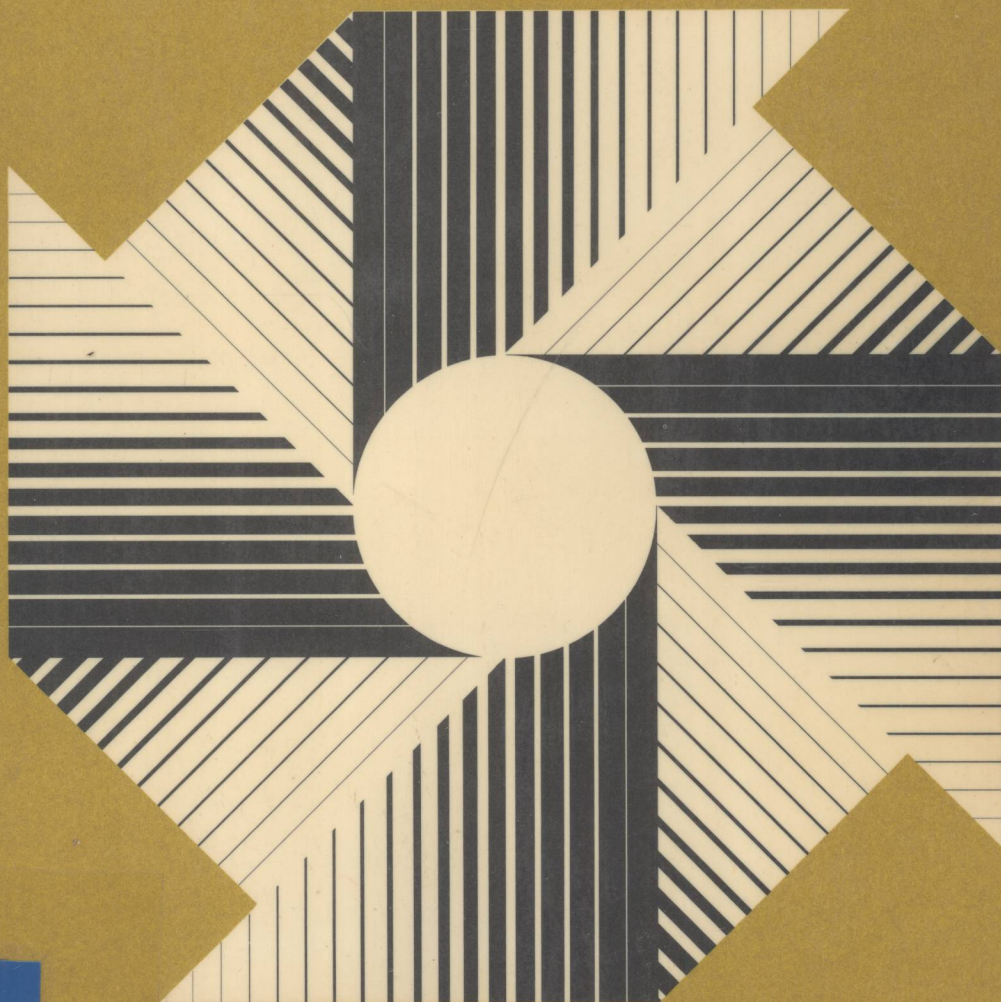


# Case method in management development

John I. Reynolds

guide for effective use

International  
Labour  
Office  
Geneva



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John I. Reynolds



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Management Development Series No. 17

International Labour Office Geneva

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## FOREWORD

The case method is based on the belief that participants in management education and training programmes - both undergraduate students and practising executives with managerial experience - can efficiently improve their understanding of the management process and enhance their competence by studying, contemplating and discussing actual situations. The rigorous analysis required, especially in the longer and complex cases, is said to develop the skills of logical thinking, of searching for relevant information, of analysing and evaluating facts and of drawing conclusions needed for managerial decisions. The experience it gives in arguing a viewpoint before one's peers also develops the ability to communicate clearly, to consider the views of others and to arrive at solutions that would gain collective support.

For a number of years the best management development professionals have, therefore, made extensive use of case studies in their teaching and training programmes. Indeed, following the pioneering example of the Harvard University Graduate School of Business Administration, a number of management educators have demonstrated their faith in the case method by successfully teaching management and administration courses by this method alone.

Within the last 15-20 years management educators have made a considerable effort to enrich the store of teaching and training methods, in particular to deal with certain aspects and situations for which, as they have found, the case method is not fully comprehensive. For example, if a case is taught it is the author of the case and not the student who has actually collected the facts in the organisation concerned by the case. And, after having studied and discussed a case, the trainee does not have to implement his decision and live with its consequences; some participants, it is argued, would actually



behave quite differently in discussing a case if they knew that they would also be responsible for implementing the conclusions.

Management education and training in the 1980s will, therefore, be using a mix of methods and techniques, with a growing emphasis on live problem analysis and problem solving, practically useful projects, teamwork and team building, organisation development, accelerated transfer of relevant experience and, in particular, the individual manager's responsibility for his own self-development.

The case method will have a very important role to play in this process; thousands of new cases will be needed and thousands of management teachers and trainers will have to master the skills of case teaching and case writing, as well as of aptly combining the case method with other methods and techniques. Nowhere in the world is the case method likely to make a greater contribution to management education than in developing countries and regions; yet it is in those very regions where the fewest cases have as yet been written and where too many management teachers and trainers feel uneasy about using or writing a case.

This manual has been written within the framework of the ILO Management Development Programme with a view to helping management institutions, individual teachers and trainers as well as participants in management programmes to use the case method more extensively and more effectively. The author, Professor John I. Reynolds, of the Texas A and M University, is himself an experienced case teacher and case writer; for many years he has used the method and trained case writers not only in the USA, but in several developing countries as well.

## Audience

The case method is effective when it is understood and correctly used at several levels.

First of all, there are those who are supposed to learn by case method - the participants in teaching and training programmes. They may be students in universities and graduate schools of business and public administration, junior managers interested in longer management development programmes, or rather experienced managers attending senior and top management seminars and similar programmes of relatively short duration. They are all interested in studying relevant cases in a way that helps to increase their knowledge and skills, although an experienced manager will, as a rule, need to study a case which is different from that presented to



persons without any business and administrative experience. In Part I the book addresses itself to course participants. They are called students in most cases; the term student is used here as a generic term and could be supplemented or replaced by terms such as trainees or participants.

The second level includes the teachers. The success of case study teaching depends on their case teaching and case writing competence. Here again, the term teacher stands also for trainers, instructors, course and seminar leaders and other persons responsible for introducing and using cases in teaching and training programmes. Part II (Teaching by case method) and Part III (Case writing) have been written primarily for them. The assumption has been that they already know the subject-matter and how to solve problems and make decisions, but that they should learn more about how to use cases and how to write new cases.

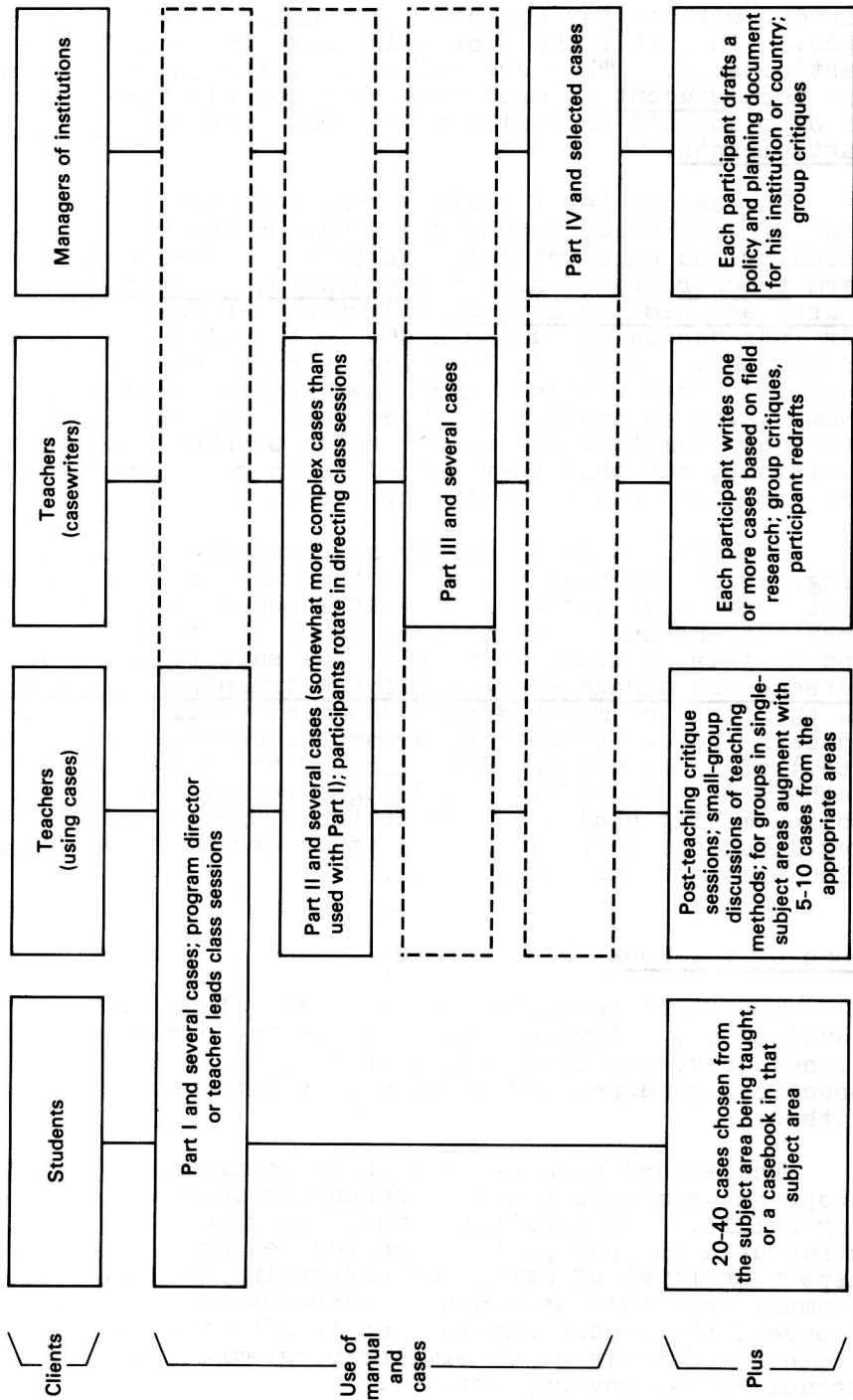
Finally, it would hardly be possible to make good progress in teaching by case method and producing relevant local case material without adequate support of institutions and organisations where the method is used; and by this we mean, above all, the support provided by persons who manage educational and training institutions in the field of management and administration. This concerns heads (directors, managers, deans, principals, etc.) of institutions, directors of training and research, members of scientific or pedagogic councils and other policy-making bodies in institutions and so on. Training directors in business and other organisations might find this part useful as well.

### Uses of the book

The first possible use is reading for self-development. Anybody who falls in the categories mentioned above may find this useful if he is looking for practical guidance and references related to the case method.

The second possible use is in connection with workshops and seminars aimed at enhancing learning and teaching skills. To facilitate this the manual has been structured in four parts, each focused on a particular aspect or level of using and supporting the method. In summary form this approach is represented in figure 1. However, the reader should keep in mind that in designing training-of-trainers or similar programmes using this manual he has several options.

**Figure 1** Suggestions for using this manual



Students would normally concentrate on Part I in order to get advice on how to study a case, on a general-purpose problem-solving format, on participation in class discussions and on writing report papers. Chapters 1 through 4 would normally be assigned for reading by students, although Chapter 4 might be withheld until just before the first assignment of written work in the course.

Teachers of management and administration will be interested mainly in Part II and Part III, although in programmes where teachers are participants one would normally assign Part I at the beginning, and introduce at least certain elements of Part IV should this help to promote the method in various countries or institutions. The key decision will concern the use of Part II and Part III: teachers' training will concentrate on Part II, while workshops for case study writers will have to include both Part II and Part III.

Managers of management institutions and other individuals responsible for policy questions in teaching and training will seldom participate in a workshop dealing with the case method exclusively. The relevant parts of the book can be brought to their attention in various ways: for example, they can be invited to certain sessions in a training-of-trainers programme; or questions of promoting and supporting effective training methodology can be handled in various meetings and workshops gathering heads of institutions from various countries.

Several cases and some information materials are reproduced in the appendix part of the manual. This has been done in order to help both the individual reader, and the teachers' trainer looking for case material that could be used in teachers' or case writers' workshops. Notwithstanding this, readers should feel free to make their own selection and use cases that, according to their own judgement, are best suited for such purposes.

Although at various places in this manual the author mentions that both the practices and philosophies of case method adherents differ concerning many points covered here, it is perhaps well to emphasise at the outset that no attempt has been made to cover every viewpoint. The author's preferences have dictated what is said. Good case method teachers and administrators will proceed to use and write cases as they please. The case method will not only survive such differences of opinion, but will thus become richer and better adapted to the many settings in which it is to be used.



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## STUDENTS' INTRODUCTION TO CASE METHOD





## INTRODUCTION TO PART I

The definition of case method starts with the definition of a case. A case is a short description, in words and numbers, of an actual management situation. Most cases stop short of presenting all of the actions taken by the manager in the real-world situation. They thus leave open to the student the selection of actions which should be taken. It is expected that students will study cases, come to their own conclusions about what should be done, and then discuss the cases in class and/or write papers describing and defending their suggested courses of action. A case that deals with facts facing a financial officer of a firm allows the student to develop skill in making financial decisions. Cases that present marketing facts or production facts lead to decisions of the sort made by marketing or productions managers, and so on. A good case almost puts the student into the position of the real-world manager, facing the challenge to make a decision and prepare a plan of action.

"Case method" involves several additional concepts and activities which may not be very obvious to you as the student. The first of these is the teacher's selection of a sequence of cases to make up a course of study. It goes without saying that cases should be selected from the topic area of interest, such as "marketing", "accounting" or "production". This assists students in identifying typical problems in specific functional areas of management. A more difficult problem in sequencing is to select cases that build on one another. Partly, this is a matter of starting with easy cases and progressing to harder ones. But it also involves the order of introduction of ideas and analytical concepts.

A second major step in converting individual cases into "case method" is providing for feedback to the

student. It is not enough to say that you, the student will learn how to make decisions purely by studying cases and thinking deeply about them. You must get feedback about the quality of your analysis and the probable value of your plan of action. Case method provides for this in two ways, through feedback from student to student and from teacher to student. During the open discussion in class each student can compare his/her analysis with those of other students. Particularly when students have had some real-world experience, the varieties of experience among the students themselves provide for very effective feedback. The teacher, as well, bears a special responsibility to assure you that your ideas are appraised. Both in oral classroom discussions and written papers, the teacher must provide feedback and comment on how your ideas could be improved.

A final step in converting a series of cases into case method teaching and learning is to draw out and clarify the general concepts involved in clusters of cases. Usually the students will do most of this themselves, but alert teachers will make sure that it is done as a matter of course.

If you as a student are asked to learn the skills of management through case method, you deserve to know why it is a valuable technique as well as how to do it. You will come to realise that case method demands more intense involvement on your part, as compared with other common forms of learning. Not only will you be asked to learn and understand ideas. You will be asked to use the ideas in appraising case situations; you will be making decisions and defending them in class. It is a fair question to ask, "Why should I go to the extra work of learning by the case method?"

One way of learning skills is to come to understand a number of common concepts about management and decision-making. A "concept" is any special way of fitting together facts and ideas which is useful in making sense out of the complexities that surround us. In the field of management, for example, there is a concept called "break-even analysis". This concept shows the manager how to arrange the facts about expected costs and selling prices in such a way as to predict how many items must be produced and sold before the enterprise will begin to show a profit. Many other concepts, some simpler and others much more complex than break-even analysis, have been developed in the field of management. Why not just list out the concepts in textbooks and lectures, with examples to demonstrate their applications? This is a challenge to case method teaching which has been made not only by students but by educators who prefer other teaching methods.

Answers to this challenge are largely pragmatic. "Case method works" is the underlying theme of most answers. Its advocates cite the success of managers who are graduates of case method programmes. There are five primary reasons why the method works:

- Students find case method generally more interesting than pure lectures and textbook courses. Therefore they willingly spend more time in studying. This extra studying and thinking about management results in more learning.
- Students are more likely to remember ideas and concepts that they themselves evolved and used during the "experience" of solving real-world problems.
- Students develop skills in appraising situations and applying concepts rather than merely learning the concepts from textbook examples which are often very different from real-world situations. It is said that case method better develops such skills.
- Students find that the group work and inter-action with other students called for by case method are an effective preparation for the human side of management.
- Students of case method learn how to develop new concepts, as well as to apply established concepts. Because tomorrow's problems are likely to call for new concepts, case method students tend to be better prepared for the future than those who merely have memorised existing concepts.

Apart from the concepts and skills you will learn from the ongoing case method course which you are about to start, there are several instructions you will find useful:

- how to study a case,
- a general-purpose problem-solving format,
- how to participate in a case class discussion, and
- how to write a case analysis paper.

Each of these topics is a subject of one of the next four chapters.