CASE-STUDY METHOD IN BUSINESS EDUCATION

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Abstract

Nowadays intellectual work, knowledge, experience, competences, creative capability of employees are becoming factors for creating extra cost and increasing competitiveness of a company. That is why a company needs well-educated, creative, competent managers, who are able to direct intellectual capital in order to make a company successful and profitable. Education of managers plays an important part in the solution of this problem. Therefore updating of higher economic education system and searching more effective methods of teaching and training managers are extremely urgent at present.

Key words: case-study method, competences of managers, professional cross-cultural communication competence, intellectual capital.

JEL: I21, I23.

Introduction

The main task of an enterprise in market economy conditions is creation of a competitive product. This task requires from the manager accumulation and increase of company intellectual capital. L. Lukicheva in her book “In-house management of intellectual assets” unites the most essential features of the notion [12]. The scientist has the following idea what it means. Intellectual capital presents itself a complex of intellectual assets and labour resources in a company. Intellectual assets unite: 1) informational-intellectual resources and 2) informational-intellectual products, which have actual commercial value for the company. Informational-intellectual resources include research – and – production, financial, marketing, administrative, personnel, information technological and juridical ideas; methods; instruments; technologies; different forms of information existence. All these features received in consequence of intellectual labour of company personnel determine competitive advantage of a company. Informational–intellectual products are a result of transformation of informational –intellectual resources. They can be objects of different bargains. Labour resources present individual intellectual abilities of personnel: professional knowledge, experience, and level of innovative activity of staff in the company.

Exactly the level of accumulated general, scientific and professional knowledge, degree of scholarship and culture of company personnel cause the beginnings of competitive advantage of the company and increase the profit, cut down costs, enlarge the sales of products, etc. [12].

Influence of intellectual capital on the results of a company and economical growth of it compel attention of many researchers [4, 13, 16, 21, 23, 24, 25, 26, 27, 28]. Tomas A. Stuart was the first who researched the nature of intellectual capital. In his book “Intellectual capital” Tomas A. Stuart writes that knowledge is considered to be of greater value and possess larger power than natural recourses or trustworthy bank account. Wall-Mart, Microsoft and Toyota became leaders not because they were richer than Sears, IBM or General Motors. They had something more valuable than tangible or financial assets. They had intellectual capital [22].

There exist a lot of evidences of intellectual assets value for a company. Key goal of a company is management of intellectual capital. A lot of foreign and native scientists have contributed into the development of this problem [13, 26, 27, 28].

1. Competences of managers, which allow them to direct intellectual capital

One of the key problems, connected with forming, accumulating and effective employment of intellectual capital in the company activity, is education of managers, who can benefit to the company in condition of severe competition. To this effect it is necessary to help managers to develop vital competences, which allow them to direct employees and their knowledge, which allow managers to transform individual know-how into the property of the company in order to assist the company to be competitive.

Educational Standard of the Republic of Belarus [17] on the specialty “Business Administration” demands from graduates to be competent in order to solve the following professional tasks:

- to direct businesses and create new innovative projects, providing for sustainable development and success of the company in long-term perspectives;
- to study and employ up-to-date methods of business management and development;
- to work out and implement effective strategies for growth of company competitiveness;
- to employ principles and methods of outsourcing and empowerment;
- to manage company personnel;
- to analyze, control and regulate financial and economic situations in the company;
- to use modern information technologies for realization of management function;
- to carry out marketing research and employ its results for planning and organizing of production and service;
- to estimate quality and effectiveness of projects and organize their implementation;
- to prepare management documents;
- to hold business meetings;
- to formulate operative tasks of management and control their performance;
- to organize managers’ work based on science;
- to be able for lifelong learning;
- to understand social significance of managers’ activity [17].

Nowadays developing vital managers’ competences, equal to qualification demands, described in Educational Standard of the Republic of Belarus [17], is a strategic aim of higher economic education in Belarus. Perspectives of development and growth of the state depend on the solution of this problem; therefore Belarus has headed for updating of higher economic education system and searching more effective methods of teaching and training.

2. A priority of a case-study method in business education

At present case-study method is widely used in foreign business education practice. This method is considered one of the most effective ones in teaching economics and business sciences.

Firstly case-study method was applied in an educational process in Harvard University in 1870. Since 1920 the professors of Harvard Business School began to introduce this method actively in classes. In 1925 in Reports of Harvard University about business the first collections of cases was published. Nowadays there exist two classic case-study schools – Harvard (American) and Manchester (European). The first one teaches to take the only correct decision; the other supposes a lot of decisions of the economic problem. The volume of American cases is 20-25 pages plus 8-10 pages of illustrations. The volume of European cases is about 2 times shorter. In Harvard Business School 90% of class hours is assigned for the analysis of cases. Every year hundreds of new cases, educational suppliers, textbooks of methodics are published in Harvard. It proves a priority to a case – study method in business education abroad. Harvard method is an intensive training of managers with the use of video and computer programs [6].

Introduction of a case-study method into a process of business education in Russia and Belarus is extremely urgent at present. A lot of scientists and researchers are studying this problem [1, 3, 5, 7, 8, 9, 10, 11, 14, 15, 18, 19, 20].

In 2011 Vitebsk State Technological University (Belarus) was the initiator of the project “Cases about Belarusian business: working up and introduction into practice of business education”. This project is a continuation of successful partnership of Vitebsk State Technological University (Belarus) and New Euroasia Fund in the field of business education in the Republic of Belarus. The aim of this project is formation of cases data base about business in Belarus and introduction them into the educational process. Realization of the project makes it possible to adapt an educational system to the up-to-date demands in managers’ competences and affords to widen cooperation between businessmen and participants of educational process [2].

3. The importance of development of professional cross-cultural communicative competence

Increasing political, economical and cultural relations between states nowadays have led to the activation of cross - cultural dialogues. Orientation on mutual understanding and interaction in the process of construction of policultural world entails the growth of meaningfulness of mastering a professional cross-cultural communication. That is why managing people competences include professional cross – cultural communication competence. By professional cross-cultural communicative competence in education of managers we understand the ability to communicate in different situations with business partners, accurately use the language system and speech norms and choose communicative behaviour in accordance with the authentic situation of communication.

The author would like to pay special attention to professional cross – cultural communication competence. Because in the period of integration when different national economies are coming closer in their activities, when capital of foreign companies is united, it is impossible to get and extend market and foreign-economic relations without professional cross – cultural communication competence. It is the very instrument that helps a manager to feel free in the present-day world, accurately perform his professional duties. Global business is evidence in Belarus: foreign companies have come to Belarus; our native companies are exporting their production abroad. We exchange goods, technologies and methods of management. The success of Belarusian business partly depends on the culture of businessmen, on their ability to communicate in different situations with business partners, accurately use the language system and speech norms and choose communicative behaviour in accordance with the
authentic situation of communication. Thus, they must have well developed professional cross-cultural communication competence.

In the process of forming cross-cultural communication competence in professional spheres the following skills are necessary for getting professional cross-cultural communicative competence. The key elements of professional cross-cultural communicative competence are:

- communicative skills,
- strategic skills.

Communicative skills, which are formed on the bases of language knowledge and skills, and linguistic aspect of cross-cultural studies, include:

a) in speaking: ability to start and keep up business conversation, to defend your point of view, to persuade, to win your partners over, to estimate advantages and disadvantages of the received suggestions, to give arguments;

b) in writing: ability to record the statement of business partners, to write down the main points of a presentation, fax, business letter;

c) in reading: ability to read economic articles in newspapers and magazines for complete understanding or finding the necessary information through the Internet;

d) in listening: ability to understand authentic speech at a normal pace in real communication with business partners.

Strategic skills mean that graduates can participate in professional communication, using different speech strategies (negotiations, public speaking, discussion, report); can lead their own strategy; can adhere to earlier expressed way of behavior; can build a clear and logical structure of the statement; can establish connections between facts in the process of discussing business matters; can single out the most valuable information.

4. Case study for improving professional cross-cultural communication competence and developing other vital management competences

In order to form students’ professional cross-cultural communicative skills and to lead students to adequate understanding a native speaker, foreign teachers can apply a case-study method in their activity. This method is very popular in education of managers. It is realized through activity that imitates professional sphere. This method allows teachers to make the process of developing professional cross-cultural communication closer to reality by plunging students into the atmosphere of their future profession.

Other active methods integrate into organizational framework of case-method (Figure 1). This is its uniqueness [19].

Cross-cultural communication in professional spheres is realized through case-method in different forms: monologue (presentation, public speaking), dialogue (business talk, discussion, interview, phone talk), polilogue (negotiations, meeting, business game, seminar, conference, symposium). In real communication all these forms are interconnected.

On the advanced level of improving cross-cultural communication in professional spheres students’ statements can be regarded as a mixture of prepared speech (search for information, thinking of decision-making strategy, making a plan of the statement, writing theses, etc.) and unprepared speech because in the process of business communication students will have to solve the tasks, using the covered language material, both in familiar and unfamiliar situations, relying on the knowledge of economic subjects that have been acquired earlier.

Moreover analysis of the situations, connected with actual life economical problems, and solving these problems develop students’ professionalism and form the following students’ skills:

- ability to express thoughts clearly, confidently, logically and correctly;
- ability to generate opinion based on the comprehension of information;
- ability to solve problems offered in the situation successfully;
- ability to cooperate with colleagues for achieving a target;
- ability to build constructive interaction with partners in the process of communication;
- skills of cross-cultural communication taking into account sociocultural norms of behavior;
- ability to self-educate for successful decision-making of communicative tasks;
- ability to analyze and estimate learning, speech and communicative activity.

Case-method allows students to demonstrate their professionalism by means of integration of all knowledge got in the process of studying of all subjects. It develops key and professional competences of future managers and forms professional cross-
Alla Sorokina

cultural communication competence. Thus, case-method equips future managers for further successful working activity, making them competitive on the labour market.

5. Evidence of given recommendations

Case-method, being an interactive method of teaching, has won students’ positive attitude. When answering the questions “What do they think about this method?” “What positive sides does it have?” and “What place should it occupy in business-education?” students said that case-method helped them to master theoretical knowledge, it allowed students to apply the gained knowledge in practice, to develop progressive style of thinking, ethics behaviour, interest and motivation to study, case-method provided them with developed vital competences necessary for their future professional activity.

To reveal the successful implementation of case-study method and to diagnose the level of formed competences of future managers we employed case-study method in an exam as a tool for control and estimation of developed competences. We involved two groups of students into the experiment. One group of students had been studying all year on a traditional and case-study method, the other – only on a tradition method. In the exam students were expected to scrutinize and analyze the case study and get ready to discuss strategies and tactics that a company should have employed in the future. Then we compared the results of students, which they got in the exam in 2011 and 2012. The data are given in figures 2 and 3.

Conclusions

Experiment and analysis of the research work described in the article prove the reliability of a case-study method in the process of business-education, which develops vital competences of managers, necessary for direction of intellectual capital.

Case-study provides a systematic way of looking at events, collecting data, analyzing information and reporting the results. And finally, students develop their abilities to analyze complex situations, generate a variety of possible strategies, to select the best ones and to present their opinions in front of the audience. Thus, students, future managers, develop their vital competences to manage intellectual capital of the company successfully and to turn the company into profitable and competitive one when in business education a case-study method is employed actively.

Fig. 2. The results of the first group of students in an exam in 2011 (light column) and in 2012 (dark column), who studied on a case-study method and a traditional method

Fig. 3. The results of the second group of students in an exam in 2011 (light column) and in 2012 (dark column), who studied on a traditional method

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