

# Business Policy Case Content: A Fit With Theory and Practice?

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The popular business policy text, Thompson and Strickland (1992), describes the study of business policy as follows:

The center of attention is the total enterprise. . . . You will get a workout in sizing up a variety of industry and competitive situations. . . . You will integrate and apply what you have learned in prior courses. . . . in an integrative, capstone course. . . . (p. xv)

Andrews, Bower, Hamermesh, and Porter (1987) stated that the variety of industry knowledge and practice provided by case study allows for the development of essential strategic management judgement. Mintzberg and Quinn (1991) added that, as the field and the world is continually changing, new issues must constantly be addressed. Does the limited number of cases that the average business policy student is exposed to mirror the world that they will find upon graduation? Is the whole enterprise examined? Are its functions and levels given representative treatment? Is the sample of industries representative? These are the questions that this study sought to answer.

Many examinations of textbook content have been published: Dorrell and Johnson's (1982) study in communications; Lucier's (1992) study in economics; and Gibson and Glenn's (1982) in business communications. Representa-

**ABSTRACT.** This study investigates the case content of business policy texts and compares it with the stated goals of the course. The article presents a computerized content analysis of 19 teacher's manuals, covering 549 cases. Variables in the analysis included organizational level, level of analysis, the functions of business, types of organizational measures, policy process issues, strategic theory, special issues, and industrial classification. The cases were found to lack sufficient coverage of the production function, particularly at the supervisor and foreman levels. The service industry, diversity issues, bankruptcy, and theory were also found to be underrepresented.

tive of these studies is the Foxman, Easterling, and Fodor (1995) study of diversity issues in marketing texts. They analyzed passages on market segmentation to see if they accurately represented the current and predicted demographics of the nation. They discovered differences, and in their conclusion they recommended extending their work by examining the cases used in the texts. In this article, we will also use national statistics as benchmarks and follow their recommendation to examine cases.

In business policy, case studies have always been popular. Recently, content analysis methods (Calingo, 1989; Larson, 1993) have been used to arrive at quantitative conclusions from the large number of case studies available. In the ethics area, content analysis has been

used to analyze corporate policy. An example would be Hite, Bellizzi, and Fraser's (1988) study, which analyzed corporate codes of ethics regarding marketing activities.

These prior studies have looked at case content, textbooks, and business policy. What they have not done is studied all these issues together. The case method is so central to business policy teaching that an analysis of case content is certainly warranted. In this study, we investigated whether the case content of textbooks fits the stated requirements in the field. How do the cases in business policy texts stack up against the criteria they set forth for themselves? We sought to find out whether these cases represented

1. the whole of the enterprise in its levels and functions,
2. illustrations of theory,
3. new issues in the business environment, and
4. an accurate representation of industrial demographics and the job market.

## Method

Our sample was composed of the case overviews that appear in the teacher's manuals of 19 popular business policy text books. These books had all either been used or been considered

for use in the capstone management course at our university. (See Appendix A for the list of teaching manuals in the sample.) Though this is not a random sample of all policy texts ever published, it does cover popular books actually used and promoted by major publishers in the last few years.

The sample contained 549 case abstracts. Abstracts of the case discussions were used to allow the case's author to decide the key issues of the case in their own words. This is important because if a large enough volume of text is scanned, almost any word or phrase will show up coincidentally. Additionally, key points may not be explicitly stated in a case, but only hinted at to allow the students to discover the case's issues. By examining the abstract of the case, one gets a concise statement of the purpose and situation of the company involved, in the author's own words. Examples of the type of text used would be sections under "Case Overview," "Summary," "Issues," and "Discussion Questions." The text of such sections was scanned into a computer file and analyzed.

The content analysis in the studies cited earlier was performed by hand, but, increasingly, content analysis is being accomplished with computers. The limitations of this method are that the content analysis program misses some references to various topics in the case summaries. We think this limitation is more than balanced by the strengths of an objective analysis by a tireless and impartial search engine. The program used for this analysis was SWIFT (Smith, Heady, Hamilton, & Harper, 1996). This computer program, and parts of the schema used to recognize the various topics, were previously used in Heady and Smith (1995).

The program is available free to the public from Ron Heady and has been used by other researchers. The research schema was derived both deductively and inductively. First, a list of topics and key words based on the research questions was entered into the program to form an initial framework for analysis. This was then used to produce a frequency list of potential key words absent from the schema; this list was examined to find additional words and topics for inclusion.

The following lines represent the schema for the first category in the analysis, the employee level of the organization:

Category = Organizational Levels Mentioned

SubCat = Employees

Keywords = employee employees worker workers workforce work-force operator operators

A similar process was used to create the rest of the framework for analysis.

## Findings

In Table 1, we show the results of the analysis. The percentages represent the fraction of the case abstracts that contained words or phrases supporting a listed topic. The program was set to not count duplicate hits in subcategories or categories. This potential duplication explains why percentages for the total of a category may be smaller than the sum of all its subcategories. All told, there were 3,110 "hits," or findings of a word or words in the abstracts that were categorized as of interest to the study. Every abstract was hit at least once, and on average there were 5.7 hits per abstract.

For coverage of organizational level, we found that first-line supervision got little attention, at only 1.28%. This category stood out as a low response. Top management was most often discussed, and the other levels in this category scored proportionately lower in quantity of discussion, but were still discussed more than supervisors and foremen. Though this could have resulted from a defect in the analytical schema, it is doubtful. This same schema (Heady, 1995) found four times as many references to supervisors and foremen in the abstracts of articles on quality management.

The subcategories under level of analysis were not mutually exclusive. Corporate, business, functional, and industry issues could all be discussed in one abstract. Functions such as marketing, production, and finance were most often mentioned at 52%, followed by corporate issues such as acquisitions and divestment at 38%. Business level (4%) and industry level (13%) should

**TABLE 1. Percentage Occurrence by Topic**

Topic	Occurrence (%)
Organizational level	56.65
Employees	14.57
Middle management	17.30
Supervisors/foremen	1.28
Top management	41.35
Level of analysis	75.96
Functional level	52.64
Business level	4.19
Corporate level	38.43
Industry level	13.11
Functions of business	62.11
Accounting	16.58
Finance	6.01
Human resources	12.93
Marketing	24.04
Operations	36.43
Measures	47.18
Financial	29.14
Marketing	34.97
Production	3.28
Policy issues	46.08
Planning	13.66
Formulation	11.84
Implementation	11.11
Industry analysis	11.84
Structure	5.83
Process	2.19
Culture	10.93
Theory	6.19
BCG model	0.55
Generic strategies	1.28
Ratio analysis	2.19
Product life cycle	1.82
Learning curve	0.00
SWOT	0.55
7-S model	0.00
Special issues	49.73
Social responsibility	7.29
Governmental issues	9.29
International	25.32
Entrepreneurship	15.85
Bankruptcy	5.10
EEOC	0.18
Standard industrial classification	64.30
Farming	1.82
Mining	6.56
Construction	3.83
Manufacturing	22.04
Transportation & communication	9.29
Wholesale trade	1.46
Retail trade	18.58
Financial	7.47
Service	11.48
Public administration	0.00

Note. No. of hits = 3,110. No. of records analyzed = 549.

probably be analyzed together as single business/industry cases.

The functions of business seemed to get fairly even treatment from the textbook authors. (It should be pointed out that the subcategory "operations" included not only manufacturing production, but also references to operations, including store operations.) However, the relative depth of coverage of these issues is brought into question by the findings in the measures section. It seems that all the concentration was on financial (29%) and marketing (35%) measures. The gap between operations (36%) and operational measures (3%) is too large to ignore.

Policy issues were examined in relation to theory usage. The findings show that authors paid 10 times more attention to the policy issues of planning, formulation implementation, organizational culture, and industry analysis than to any type of analytical theory.

Our analysis of special issues revealed that international and entrepreneurial issues were well represented in the cases. Governmental, social, and bankruptcy issues also received some attention. EEOC and quality issues still appeared largely invisible in the case abstracts.

Analysis of the industries represented in the cases was done by the standard industrial classification system (SIC). The SIC code system classifies the oil industry as a part of mining, and many public services such as zoos, museums, and charities as services, not public administration. Public administration is reserved for employment in the military, legislative, or executive branches of government. The percentages in Table 1 can be related to national employment statistics by adjusting the figures for sampling. The program found references to industry in 64% of the abstracts. If we consider that this is a representative sample of the cases, then we can adjust them upward to estimate the industry representation of all the cases. This adjusted percentage along with national employment statistics (*Statistical Abstract of the United States*, 1995) are shown in Table 2. It appears that mining and manufacturing are overrepresented and services vastly underrepresented.

**TABLE 2. Industrial Distribution of the Cases in Sample Compared With Distribution in U.S. Employment (Adjusted for Sampling)**

SIC code	Sample (%)	U.S. (%)	Sample - U.S. (%)
1. Farming	2.2	2.8	-6
2. Mining	8.0	.5	7.5
3. Construction	4.6	6.0	-1.4
4. Manufacturing	26.7	16.4	10.3
5. Transportation & communications	11.3	7.3	3.0
6. Wholesale trade	1.8	3.8	-2.0
7. Retail trade	22.5	17	5.5
8. Financial	9.0	6.6	3.4
9. Service	13.9	34.9	-21.0
10. Public administration	0.0	4.7	-4.7

## Discussion

The research questions can now be addressed. The answer to the first question, "Does it appear that cases in business policy texts portray the whole of the enterprise in its levels and functions?" is yes, with one exception. Most levels and functions of the organization were covered by the cases. The exception appears to be in production and the supervisory level. Though operations was mentioned, we do not see the people who supervise operations or measures of operations. This lack of attention to production was also mirrored in the lack of any serious attention to quality issues.

The second research question was, "Do business policy cases provide illustrations of theory?" There are two possible views of this topic. Steps in the policy process such as planning, formulation, implementation, and industry analysis were well covered; however, only 6% of the abstracts mentioned any named theory. It may be that the authors did not think that the abstract of the case was an appropriate place to discuss theory. Still, it appears that process receives far more attention than theory. Whether this is an oversight of the text authors or a reflection of their opinion of the importance of theory must be determined elsewhere.

This article's third question was, "What special and new issues in the business environment are being covered?" International and entrepreneurial issues were well covered. Given the failure rates of entrepreneurial venture,

though, a case could be made that bankruptcy issues should receive very close to the same attention as entrepreneurship. Bankruptcy was, however, covered only a third as many times. This optimism is unwarranted by the facts and constitutes a possible disservice to the students. Social responsibility was covered 7% of the time, but EEOC issues were raised in only .18% of the abstracts. Few would argue today that, in this time of multimillion dollar discrimination awards, racial and sexual discrimination are not major policy issues for business.

Our final research question was, "Do the cases provide an accurate representation of industrial demographics and the job market?" Manufacturing, mining, and transportation were overrepresented. The companies in these cases are large and glamorous. Exxon, Ford, General Electric, American Airlines, and others like them are big companies, often in the news and well known to students. It is easy to write cases about these companies, and students know the products. However, these are not where most of the students are going to be employed. They will most likely be employed in small service industries, and this trend is likely to increase.

Thus, if the purpose of the case method in business policy courses is to portray the total enterprise in a variety of industries and situations, this study indicates significant gaps in coverage. Current cases in use do not present a representative sample of the levels, industries, or functions that are going to employ our students. Major topics such

as EEOC and bankruptcy also fail to receive appropriate exposure for their importance. We hope that this study will encourage case writers to write cases that fill the voids revealed by these results, encourage textbook authors to include them in their texts, and, finally, encourage classroom teachers to demand a more balanced coverage. All of this is needed for case method teaching in policy to fulfill its stated goals and potential.

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## APPENDIX

### TEACHER'S MANUALS ANALYZED

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