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TEACHING BUSINESS POLICY AND STRATEGY USING THE INCIDENT PROCESS

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ABSTRACT

This paper discusses the Incident Process and how one may adapt and use it to supplement the more traditional case approach for teaching business policy and strategy. Guidelines concerning instructor and student preparation and ways to conduct the Incident Process discussion are given. The author's experience suggests that the method heightens student involvement and analytical skills and helps to emphasize the instructor as a resource person rather than a task master.

INTRODUCTION

Instructors use a wide variety of methods and aids in teaching business policy and strategy. They range from an orthodox case approach involving some lecture, but mostly seminar, to those also employing films, simulations, games, and videotapes. However, the most common approach to teaching business policy and strategy places heavy emphasis on the traditional case method.

While the method is both a proven and useful teaching pedagogy, another way to approach the subject matter is through the Incident Process for Case Analysis. The method is known for promoting increased student participation in case discussions and for helping to develop critical questioning and analytical skills.

In general, the method usually has the instructor present students with a briefly sketched climatic point, a critical incident, from a case. After studying the critical incident individually, students form into small groups, prepare and ask the instructor factfinding questions about the case, after which the facts are analyzed and a course of action recommended.

Using the Incident Process for teaching is not new. The method's history goes back a number of years with its roots and most extensive applications in teaching personnel management and human relations (6). This paper describes how a simplified version of the Incident Process can be adapted and used to supplement the more orthodox case approach for teaching business policy and strategy.

INSTRUCTOR PREPARATION

Instructor preparation consists of several separate but related activities. They are:

- Selecting a case for analysis.
- Choosing and writing a critical incident.
- Analyzing the case.

Selecting a Case for Analysis

Case materials are available from a number of sources. If the text for a course includes cases, the instructor might use some of them. However, more current materials can be found in such publications as Business Week, Forbes,

Fortune, and The Wall Street Journal. Business Week is an especially useful source, since it is published weekly and each issue presently contains a special section detailing specific corporate strategies. I try to choose materials which seem timely, interesting, thought provoking, and which illustrate some specific aspect of business policy and strategy. For instance, if students are focusing currently on environmental analysis, a case might be selected which emphasizes this.

Choosing and Writing a Critical Incident

Generally, choosing and writing a critical incident means excerpting a set of facts describing a climatic point in a case. In personnel and human relations training, the incident is usually a brief sketch concerning conflict, stress, or tension in interpersonal relations. Something similar, but different, can be done with a business policy and strategy case.

What this entails is writing a summary sketch about some aspects of a company's current situation. The idea is to give enough information to form a basis for student factfinding questions during the coming discussion phase. Here is an example drawn from Business Week:

Last year T Corporation leaped 57% in operating earnings for its specialty chemical lines and company profits raced ahead 55% to \$40.1 million. T's lucrative chemical operations are expected to grow at a 15% annual rate for the foreseeable future. Long term prospects are still strong for its other best known business. Nevertheless, Robert E. Davis, Chairman of T Corporation grouses, "I'm not happy sitting here and riding what we have today. We've got to do more." He is worried that T's existing businesses are not enough to ensure the company's long term growth. There are a number of reasons for Davis concern. (9)

Analyzing the Case

In addition to preparing the incident, the instructor should do a thorough analysis of the case. This allows for a smoother flow of information from the instructor during student factfinding. Also, the process sometimes uncovers areas where supplemental data, especially industry data, need to be obtained. Analysis, moreover, helps identify case information which should be prepared and handed out in written form in response to specific student questions during fact-finding.

STUDENT FACTFINDING

Central to the Incident Process is student factfinding. Using the critical incident as a basis of departure, factfinding is the process of questioning or inter-viewing the instructor for additional facts about the case. This information is then used for analyzing the case and developing recommended strategy.

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In order for students to be more effective with their questioning as well as later analysis and strategy development, they should have some specific analytical framework to guide them. A number of texts and articles in business policy and strategy offer such conceptual frameworks or models (1; 2; 3; 4; 5; 7; 8; 10). This instructor uses William Gluecks (3) text and model as a guide for both himself and students, although other conceptual frameworks would likely serve just as well.

At a minimum, however, the analytical approach used should be detailed enough to help students formulate questions and guide them in analysis and strategy recommendations. For instance, Gluecks (3) text and model help students focus specifically on the following:

- Analysis and Diagnosis: Determining threats and opportunities in the environment and the enterprise's comparative strengths and weaknesses.
- Choice: Generating strategic alternatives for identified problems, analyzing them, and selecting the best strategy.
- Implementation: Creating an organizational structure and supporting policies, plans, and programs required by the strategy.
- Evaluation: Assessing the impact of current strategy and making adjustments when necessary.

Analysis and diagnosis help in both the factfinding and analysis phase of the Incident Process. Whereas choice and implementation concern mostly analysis and developing strategy recommendations. Evaluation, because it is future and results oriented, is not immediately applicable. However, it does serve to make students aware that in actuality managers must monitor the results of on-going strategy in order to change it when appropriate.

CONDUCTING THE DISCUSSION

Conducting the Incident Process discussion consists of the following major activities:

- Factfinding
- Analysis and strategy development

Factfinding

The instructor begins this phase of the process by announcing that the Incident Process for case analysis will be used during the current class or conference session. The instructor then describes the process. To guide them in their factfinding as well as later analysis and strategy development, the instructor also suggests that students follow the business policy and strategy conceptual scheme developed for approaching the subject in prior meetings. Some sample questions and illustrations using the framework should be given to show how this is done.

Each student then receives a written copy of that day's critical incident. The instructor reads the incident aloud and tells each member of the class to study it individually and to formulate at least three factfinding questions. After this, students form into small case study teams. Each small group now pools and develops a more extensive list of questions

for use in the coming factfinding interview with the instructor.

If permanent team assignments have been established for other class work, these may be used. Often it is possible and advantageous to broaden group technical expertise by purposely including at least one person from each of the several functional specialties such as accounting, finance, marketing, personnel, and so forth, on each team.

After teams complete their list of questions, they begin interviewing the instructor for case facts. Each team asks one question in turn until their lists are exhausted or the questioning becomes redundant. Fact-finding usually takes about 30 minutes. During the interview, the instructor also distributes any written supplemental materials in response to questions asking for such information; for instance, organizational charts, summary financial data, performance fact sheets, industry data and so forth.

Analysis and Strategy Development

Following factfinding, teams analyze their data and develop a recommended enterprise strategy which includes a rationale and implementation proposal. Each team presents its results to the entire class. Sometimes teams tend to come up with similar results. Under these circumstances, those teams reporting first tend to preempt the contribution of those reporting last. More challenging and demanding are instances of diverging or contrasting strategy positions between teams or with the instructor. Such occurrences tend to promote a more lively, critical, and meaningful discussion.

Also, experience shows that teams occasionally fail to draw out some case facts critical to analysis. This is an opportunity to underscore the importance of thorough factfinding prior to analysis by letting teams proceed as usual. However, after the teams give their results, the instructor should reveal the additional information and explore both why it was overlooked and how it impacts on team strategy recommendations.

Some Final Comments

This article's intent was to give some general guides, not rigid steps for using a variation of the Incident Process in teaching business policy and strategy. There are a likely number of ways to modify and adapt the process to meet other learning goals. For example, in the reporting phase, some instructors may wish to select only one team to present its finding to the entire class for critique and discussion. Sometimes a team could be charged with preparing an incident and leading a discussion. In team work, shared leadership could be encouraged by changing off individuals doing the questioning or presenting final results.

Lastly, let me restate that the Incident Process helps to heighten student involvement and analytical skills through the dynamics of group factfinding, problem solving, and reporting. In addition, when used in conjunction with the conventional case approach, these benefits tend to spin off and enrich the latter process. Finally, the Incident Process emphasizes the teacher as a facilitator and resource person rather than a task master. As Pigors and Myers (6) put it, the process moves the teacher into the role of one who is 'on tap, not on top.'

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