STRATEGIC MANAGEMENT: AN EVALUATION OF THE USE OF THREE LEARNING METHODS

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ABSTRACT

The paper examines the use of three learning methods in the teaching of a strategic management course for a Masters programme in management. The three methods are: an in-company consultancy project; a new business venture simulation; and the case method. The results of a survey of students' perceptions indicate that overall the business simulation provides a more successful learning experience.

INTRODUCTION

Courses in strategic management often employ a variety of learning methods, Eldredge and Galloway (1983) find that strategic management courses typically make use of a number of methods based upon text, case, management games, field projects and guest speakers. Similarly Jennings' (1996) survey of strategic management courses in the UK found the majority of those courses to be using a combination of methods; lectures with discussion, guest speakers, tutorials based on current issues, business games, company-based research projects and consultancy projects.

There can be a number of reasons for using multiple learning methods. Various methods may complement each other, Teach and Govahi's (1993) study of business school graduates concludes that various teaching methods (experiential exercises, simulations, the case method and lectures) develop different skills. As well as promoting the development of a wider range of skills the use of multiple learning methods can be undertaken in order to introduce variety to the overall teaching programme.

This paper examines the use of three learning methods in the teaching of a strategic management course for a Masters programme in management. The three learning methods used were a consultancy project, a new business venture simulation and the case method.

Consultancy Project

A number of companies participated in the course by allowing students to act in a consultancy role for the company by developing a proposal for a product or process innovation of strategic importance to the company, with the proposal to include a consideration of the innovations implementation. The assignment took the form of a group based project taking place over a six month period, a duration that may not be uncommon for this form of higher education activity, Lamond (1995) reporting the use of a five month project.

The management consultancy project is an example of action learning. Action learning was originated by Reg Revans as a result of his experience of working within the UK coal mining industry. Within an action learning approach learners work in teams to solve real problems in the workplace, with learning arising through problem solving and interaction with other members of the group (Lamond, 1995). Individuals learn from experience through reflection and action. Although a number of alternative action learning perspectives have developed (Marsick and O'Neil, 1999), the method has three main components: people who accept responsibility for taking action on a particular issue; problems; and a set of colleagues who support and challenge each other to make progress on problems (Marsick

and O'Neil,1999). The projects have to be "real and alive... not manufactured simply for the set ... action learning is for enabling people to undertake action to further real issues or resolve real problems" (McGill and Beaty, 1996).

A number of outcomes have been suggested as arising from an action learning approach, they include the following: increased awareness of organizational realities and the political and cultural dimensions of change; development of insight into the application or misapplication of concepts and theories to actions; promotion of critical reflection concerning the individual's assumptions and beliefs that shape practice; improved interpersonal skills and increased capacity to learn from experience (Marsick and O'Neil, 1997, Raelin, 1997).

For a higher education provider the use of consultancy projects presents a number of challenges. Establishing the partner relationships for consultancy projects is a time consuming process. Projects may present a tension between meeting client needs and providing a valuable learning experience for the students involved, students may lapse into accepting workplace practice at the expense of developing critical thinking, leading to the development of 'quick-fix' solutions, high expectations and the critical examination of students' work may make the process a stressful and at times painful experience (Lamond, 1995). In addition, avoidance of the risk of projects failing to progress and meet the expectations of partner organisations requires monitoring, and at times intervention, by academic staff.

New Business Venture Simulation

The simulation took the form of a group-based exercise in which students, assuming modest personal wealth, identified, researched and planned a new business initiative. The scope of the exercise included identifying a business opportunity, researching markets, defining the

product / service offering and a competitive strategy, defining the resources, systems and organisation required, developing a projected balance sheet and profit and loss statement, together with an identification of principle risks and contingencies. The simulation required a great deal of time to be spent in gaining information from secondary and primary sources including potential suppliers and customers. The exercise took place over a three month period and resulted in the submission of a business plan and presentation to a panel that included the representative of a bank experienced in business lending. The formally taught parts of the strategy course were developed in parallel with the simulation.

A simulation models some aspects of reality in a safe and time-compressed setting (Hequet, 1995) with the simulation aimed at capturing elements of the real situation that are important to the training objectives (Reid and Kleiner, 1996). The learning opportunities available through simulation have been summarized by Solomon (1993), simulation allows experience to be gained in handling new situations while avoiding unacceptable risk, simulation stimulates discussion of complicated topics, promotes decision making, heightens self-awareness and the examination of own behaviour, particularly in relation to the work group. However, simulated experience may not be immediately and readily transferred to a real working situation.

In terms of teaching resources the business venture simulation was the least expensive of the learning methods to operate, only requiring the operation of briefing and feedback sessions.

The Case Method

The strategic management course made use of a number of case studies, including several short cases of less than a thousand words. Cases were generally used as part of a class to develop understanding of situations, concepts and

techniques. The class session typically included a brief period of small group discussion before discussion by the whole class. The course also included several decision orientated cases sessions in which students were asked to diagnose problems and propose options and recommendations. These exercises were group-based and included presentations.

The use of the case method in management education was pioneered in 1910 by Harvard's newly formed school of business administration. Since then the use of case studies has assumed a major role in the teaching of strategic management (Alexander, O'Neill, Snyder and Townsend, 1986).

The term "case method" has come to refer to a wide range of teaching styles and objectives that can be adopted within the use of case studies for teaching (Dooley and Skinner, 1977). It has been proposed that the case method can be used to gain illustration of particular points, issues or managerial principles, provide managers with a neutral situation in which they are free to explore problems (because they are not their own), relate theory to practice, confront the complexities of specific situations, develop analysis and synthesis, develop self-analysis, attitudes, confidence, responsibility, develop interpersonal skills, communication and listening, develop judgement and wisdom and enliven teaching The method may gain the student's intellectual and emotional involvement and assist the long term retention of understanding and bring realism into instructional settings. (Christensen and Hansen, 1987, Osigweh, 1989, Dooley and Skinner, 1977, Romm and Mahler, 1991).

The case method is not without its limitations. Cases may be limited in the extent to which they present the realities of an organization, Yin (1989) comments that a case need not reflect a complete or accurate rendition of actual events, its purpose is to establish a framework for discussion among students. Similarly Towl

(1969) describing case writing at Harvard Business School emphasises the need for a "plot structure" and not to be simply a "photographic slice of life", in order to develop sufficient interest for students to "take at face value the situation which the case presents, forgetting that it is artificial".

The situation presented by the case method has been the subject of criticism. Mintzberg (1990) proposes that the case method may be counter productive in teaching strategic management, providing a misleading simplification of the realities of the strategy process, in which managers wait in their offices "waiting for pithy reports instead of getting outside where the real information for strategy making usually has to be dug out". Argyris' (1980) study of case teaching sessions during an executive programme, concluded that the intended joint exploration of open situations, where there were no answers, became structured to converge on the lecturer's own analysis and recommendations.

THE SURVEY

A survey was conducted for a cohort of 15 students studying strategic management as part of an MSc in Management programme at Nottingham Business School, UK. All the respondents were graduates in a range of business and non-business subjects, with little or no experience from having worked in business. The three learning methods were evaluated by questionnaire, each questionnaire was administered before the students had received their grades for the assignment associated with the learning method. The questionnaire (items listed in the Appendix) was based upon Miles, Biggs and Schubert's (1986) skills acquisition questionnaire. The survey used twenty two, six-point rating scales, addressing a range of learning outcomes and issues relevant to the Masters programme (Table 1).

TABLE 1
THE QUESTIONNAIRE:
LEARNING OUTCOMES/ITEMS

acquisition of new knowledge	1
developing a management perspective	2-3
problem solving and decision making	4-7
planning and implementation	8-9
working independently	10
awareness of feelings and beliefs	11-12
working with others	13-18
changing own behaviour	19-20
adding realism to the course	21
career development	22

RESULTS

Table 2 presents the average scores for each of the three learning methods (lower scores indicate more favourable ratings) together with standard deviations and the results of a t-test.

Comparing the average scores for each item, the business venture simulation has more favourable scores than the consultancy project for all items, with significant differences (at a 5 per cent level of significance) for 18 of the 22 items. Compared to the case method the business simulation is rated more favourably or the same as the case method for 18 of the 22

items, although only significantly so for three items.

The business venture simulation is significantly more highly rated than both the case method and consultancy project with respect to 'planning and implementation' (items 8-9). Both the simulation and the case method are significantly more highly rated than the consultancy project for the areas, 'developing a management perspective' (items 2-3), 'problem solving and decision making' (items 4-7) and 'adding realism to the course' (item 21), as well as for items 12, 13 and 16.

DISCUSSION

The survey results do not support the view that multiple learning methods complement each other to develop a range of skills. A particular learning method, in this study a simulation, may be associated with higher ratings across a wide range of intended learning outcomes.

Reasons may be suggested for the comparatively low weighting of the consultancy project. Lamond's (1995) study of an MBA consultancy project finds student evaluations to be bi-modal, strongly positive or negative, a dispersion of results that may reflect the potentially stressful nature of the project and the possibility of differential reactions by students, eg. to seek to avoid and minimize the effect of the learning situation by completing the project as directly as possible as opposed to more exploratory use of the situation (Lamond, 1995). While such variation in student response was not apparent in the present study, the comparatively more stressful nature of the situation presented by consultancy projects may be reflected in the lower ratings that were given.

The higher ratings for the business simulation may also reflect the comparative intensity of the simulation, with numerous aspects that constitute a business being researched, defined, evaluated and coordinated in a shorter period of

time than that available for the consultancy project, and also the autonomy of the student's decision making, free from the restraints and pressures of a real organization. Similar factors may be present in the use of the case method. For both simulation and the case method their context, away from the workplace, may provide an environment in which the student feels able to explore situations with a feeling of safety.

Further explanation for the comparative performance of the three learning methods may also be sought in the design of the strategic management course, the ranking of the three methods follows their ordering within the course (with the simulation the first to be undertaken) and raises the possibility of the emergence of feelings of duplication and redundancy between learning situations. Such an effect may underline the need for an emphasis upon reflection by students to increase the opportunities for learning and to avoid the emergence of a task focused approach. "Reflection on past actions makes the difference between having 20 years of experience and having one year of experience 20 times" (McGill and Beaty, 1992).

CONCLUSIONS

The use of multiple learning methods is a common feature of strategic management education that may, through providing complementary learning situations, appear to be an attractive aspect of course design as may locating student learning in real life work situations. However the evidence of the survey reported above implies that neither principle necessarily forms a basis for a successful course. Redundancy can occur between learning methods with certain exercises providing an overall more successful learning experience. The time consuming process of developing and operating action learning situations may not be justified by the perceptions of the students involved. A business simulation, requiring the use of few educational resources, can provide a more highly rated learning experience than that available through the use of either case or consultancy projects.

APPENDIX
QUESTIONNAIRE ITEMS

1 Acquire new knowledge about business and management
2 Gain a top management perspective on the operation of an organization
3 Integrate learning from functional areas (Accounting, Finance, Strategy, Marketing, etc)
4 Increase ability to identify problems
5 Increase ability to solve practical problems
6 Learn how to make decisions on the basis of incomplete information
7 Add to understanding of how to seek and use information for problem solving
8 Increase competence for planning business operations
9 Increase ability to implement your decisions
10 Increase confidence in ability to work independently
11 Become more aware of own feelings and beliefs
12 Become more aware of the feelings and beliefs of others
13 Add to ability to provide meaningful feedback to team members
14 Motivate people who work with you
15 Learn to help people resolve conflicts
16 Increase ability to communicate clearly and effectively with peers
17 Increase effectiveness as a participant in group problem solving
18 Learn something important about yourself as a manager
19 Experiment with new behaviour
20 Learn new behaviour

21 The exercise added a lot of realism to the
   strategic management course

22 Clarified your career interests

References Upon Request