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BUILDING CAPABILITIES FOR CHANGE THROUGH LABORATORY SIMULATIONS

Tojo Thatchenkery, George Mason University
Ravi Behara, Florida Atlantic University
Con Kenney, George Mason University

ABSTRACT

In this paper the authors describe the learning from a project at the *Organizational Learning Laboratory at George Mason University* as an attempt to bridge the gap between theory and practice. Using social constructionist perspectives, a recasting of reverse simulations is shown as an alternative to the traditional focus in simulations, which is to portray reality outside as faithfully as possible in the laboratory environment Utilizing appreciative inquiry as the overarching conversational forum, participants in the project created a product in record time by making the best use of the diverse talents of their team members dispersed across organizational hierarchies.

INTRODUCTION

Simulations have long been used as a way to mitigate the risk of the real world in a wide variety of contexts. However, they are all based on an overarching assumption that they are simulating the real world. Therefore, a simulation designer must be a careful observer with a highly developed skill for prediction by transforming the simulation into a microcosm of the real world. The objective of this paper is to demonstrate an alternative called *reverse simulation.* Karl Weick (1976) several years ago wrote about the notion of *reverse simulation* in organizations. Instead of trying the simulate reality, do the opposite. Let the real world operate like a laboratory! Thus, the questions we encounter in the laboratory are how to create and model new forms of organizational processes and structures that are very different from what are available outside, and make those possibilities replicated in the real world. This is accomplished by observing the nature of the relationship that allow a phenomena to occur in the laboratory and later figuring out how to transplant not just the phenomena but more importantly, the nature of the relationship.

Application

The *Organizational Learning Laboratory* (OLL) is a state-of-the art facility located in the George W. Johnson Center, a newly constructed learning space for student life and technological innovation at George Mason University in Fairfax, Virginia. The Laboratory creates a facilitated learning environment for reflectively understanding and thereby improving various organizational processes. The laboratory is equipped with 1) a groupware laboratory consisting of several computers networked with an array of hardware and software designed to enhance collaborative learning and 2) a simulation and modeling space capable of running both computer and non-computer management simulations and modeling.

One of the engagements the laboratory staff accepted was a project to redesign the loan processing of a Fortune *50* financial services organization. The task was complex, involving a high degree of combining technical information and information systems redesign. Due to the high degree of complexity, the task couldn't be accomplished by a few individuals. Therefore, to begin with, the organization committed over a dozen key employees who would be affected by the new process and who would have to implement the new system. Employees of this organization were used to working in an environment devoting singular attention to their own functional specialties. It was by excelling in their own business areas that one could progress within the organization. Within that context, the notion of working together with people they have never worked together before was provocative. Team members felt the strangeness of the unfamiliar and yet expressed a desire to experiment and see what happens. From a reverse simulation perspective, the objective of the laboratory staff was to devise a methodology that would work in the laboratory, then reflectively

understand what made it work, and finally transplanting the entire structure and processes that made it work.

What happened during the project was truly emergent Yet there were a few steps that we planned in advance to keep the design as close to one of reverse simulation.

Obtaining commitment and support from top management

The organization committed that the team members would be released to be at the laboratory site for the entire two weeks, six hours every day.

Initiation into the laboratory philosophy

In addition to talking about the principles behind laboratory experimentation, the concept of reverse simulation was also explained to them. The laboratory staff underscored the importance of "thinking outside the box," looking at problems with a fresh eye, and the role language plays in creating reality.

Creating the learning climate for the reverse simulation using appreciative inquiry.

Appreciative inquiry (Al) is the overall interpretive scheme (Bartunek, 1984) used in the laboratory. Al (Coopemder and Srivastva, 1987) focuses on what is working in an organization or group. The inquiry begins with a process of affirmation of the basic "goodness" that exist in the group and tries to create a climate of collaboration and true inquiry within the unit

Step 4. Paying attention to the content and process at the same time

Throughout the two weeks participants were taught to pay attention to both the content and the process of their deliberations. The primary task of the group was to design and test a new loan processing mechanism at a certain stage in the life of the loan. In the process, they developed a sophisticated understanding of

reverse simulation. They discovered that the secret is not in any technique but in their ability for creating conditions similar to the one that existed in the laboratory.

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