

# Developments In Business Simulation & Experiential Exercises, Volume 19, 1992

## THE USE OF A "BOARD OF DIRECTORS" TO EVALUATE AND VALIDATE DECISIONS IN A COMPETITIVE GRADUATE MANAGEMENT SIMULATION COURSE

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### ABSTRACT

In a real-world environment, a corporate Board of Directors has a legal and fiduciary responsibility to the corporation's shareholders. It evaluates the decisions made by company executives, suggesting, guiding and stimulating them to adapt to the dynamics of their company's strengths, weakness, opportunities and threats.

This study reports on the apparently successful use of an external "Board of Directors" to evaluate the quality of the students' decision making strategies and processes as part of their learning process.

### INTRODUCTION

A widely accepted and documented education principle, is that learning is facilitated when the learner receives immediate feedback. The final step in most simulation/gaming packages is a debriefing or feedback session. However, a recent extensive report observed that there was a "lack of well designed evaluative studies to establish learning validity" in management simulations/games.

### EXTENDING THE EVALUATION PROCESS

"Face validity," the process of soliciting the opinions of persons who are familiar with a real-world system, can powerfully assist the validation of a simulation and foster confidence in the participants' decision making process.

In a successful extension of this process, a "Board of Directors" evaluates the decisions made by the students in a competitive management simulation course in the MBA Program at Dowling College, Oakdale, New York. The "Boards" consist of business executives who have volunteered their time to study the results of the student-team decisions and to evaluate their decision-making processes. Under precise role-playing conditions, the students justify to the Board the decisions for which they were individually responsible. STRATPLAN, developed by Hinton and Smith, is the simulation used in the Program.

Based on its stated Goals and Objectives, each corporate team makes a total of 68 production, marketing and financial decisions each period or year. After four decision periods the students meet with their Boards to make formal presentations, and to justify the decisions they had made. The Board evaluates the decision making process of each student, comparing the individual results with the company's previously stated goals. Detailed reports of the meeting are forwarded to the faculty for grading purposes. For continuity, the same Board personnel sits in review for both meetings. The success of the Boards' involvement in the evaluation process is contingent upon four critical steps.

### 1. Assembling Balanced "Boards" from an Applicant Pool

The faculty of the Dowling College MBA Program has been successful in developing a pool of alumni and business persons who live in the area and who are interested in returning something of value to the College. Each Board is balanced with at least one professional in finance, marketing, production and management. Another Board member serves to evaluate the students' skills in presenting information, voice, dress, graphics and communication without addressing the results of their decision.

2. Training the Boards in Evaluation Procedures Before the semester begins, applicants for Board membership are invited to attend a screening session, where they are provided with an outline of responsibilities, a time schedule and a review of any changes or improvements in the STRATPLAN program or the evaluation process. Board members are trained to ask questions with one specific objective in mind: to judge the quality of the decision making process. Their questions must be challenging, without professional bias and based on an insight into the team's stated Goals and Objectives. Board membership has become a social and "networking" activity, which has served their needs as well as providing assistance to the College.

3. Matching Teams and "Boards" Before the first Board meeting, the teams are given the Boards' resumes, so that conflicts can be minimized. The faculty studiously avoids placing students before Board members who are in hierarchical positions within a company, or within industries as buyer and seller.

4. Debriefing "Boards" and Team Members Along with printouts from the decision periods, the Board receives an evaluation form for each team member. During the Board meeting, notes are made directly on the form and the Board members use those notes to question students on their decision making process. Within an hour after the Board meeting, the students and faculty are given copies of the Boards' comments, including notes made by the presentation skills evaluator. This distribution is made quickly in order to provide a fresh look at the Board's evaluation.

### CONCLUSIONS

The use of well-trained, external and neutral "Board of Directors" can be a useful tool in evaluating decision making in a graduate Management simulation course. Students change their behavior from the first Board meeting to the second, they justify and prove to the Board that their decisions were not random. The structure of the Board must be carefully balanced with the students' needs, their own real world experience, and the students' learning base.

The waiting list for Board membership is testimony to the success of the use of a Board of Directors to evaluate the students' decision making process. In this MBA program, learning seems to have taken its rightful place in management simulation.