

# STRATEGIC MANAGEMENT: AN EVALUATION OF THE USE OF THREE LEARNING METHODS IN CHINA

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## ABSTRACT

*The authors examine the use of three learning methods in the teaching of a strategic management course for a postgraduate programme jointly run by the Hong Kong Polytechnic University and the Zhejiang University. The three methods used in this study include an in-company consultancy project; a new business venture simulation; and the case method. The results of a survey of postgraduate students' perceptions reveal that overall the new business venture simulation provides a more successful learning experience than the case method as well as in-company consultancy project.*

that various teaching methods such as experiential exercises, simulations, the case method and lectures can develop different skills. The use of multiple learning methods can be undertaken in order to introduce variety to the overall teaching programme. In addition, using multiple learning methods can promote the development of a wider range of skills.

The authors intend to examine the use of three learning methods in the teaching of a strategic management course for a postgraduate programme jointly run by the Hong Kong Polytechnic University and the Zhejiang University. The three learning methods used were a consultancy project, a new business venture simulation and the case method.

## INTRODUCTION

Instructors in strategic management often use 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, previous survey of strategic management courses in the UK (Jennings, 1996) and Hong Kong (Chang, Lee, Ma, & Jennings, 2001) found the majority of those courses to be using a combination of methods; lectures with discussion, guest speakers, tutorials based on current issues, a new business venture simulation, company-based research projects and consultancy projects.

Various methods may complement each other. Teach and Govahi's (1993) study of business school graduates concludes

## CONSULTANCY PROJECT

Normally a number of companies will participate in the course by allowing students who are also their employees 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 in the area of quality management. To the contrary, students here took the active role to request their companies to allow them to act in a consultancy role for the company.

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

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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 poses 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 organizations' 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 month and half period and resulted in the submission of a business plan and presentation. 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. Cases were generally used to develop understanding of situations, concepts and techniques. 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

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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 36 students studying strategic management in quality in China as part of a postgraduate programme jointly run by the Hong Kong Polytechnic University and the Zhejiang University. All of the respondents are part-time students and work full time in China. A questionnaire was used to evaluate the three learning methods. Each questionnaire was administered before the students had received their grades for their assignment associated with the learning method. The questionnaire (please refer to the appendix) was based upon Miles, Biggs and Schubert's (1986) skills acquisition questionnaire. The survey consists of twenty two questions and used six-point rating scales, addressing a range of learning outcomes and issues related to the postgraduate programme (Please refer to table 1).

### RESULTS

Table 2 reveals the average scores for each of the three learning methods. The higher scores indicate less favourable

ratings while the lower scores show more favourable ratings.

When comparing the average scores for each item, it is clear that the business venture simulation has more favourable scores than the consultancy project for all items. This is also consistent with the findings (18 of the 22 items) done in UK (Jennings, 2000) as well as (20 of 22 items) in Hong Kong (Chang and Jennings, 2003). When compared to the case method, the business venture simulation is rated favourably for 18 out of the 22 items in China. In UK and HK study, results are also rated favourably for 18 out of the 22 items (Jennings, 2000, Chang and Jennings, 2003).

The business venture simulation is rated a bit high than both the case method and consultancy project with respect to 'planning and implementation' (items 8 and 9) in China. This is also true in the Hong Kong study (Chang and Jennings, 2003). In addition, both the simulation and the case method are more highly rated than the consultancy project regarding the following areas: 'developing a management perspective' (items 2 and 3), 'problem solving and decision making' (items 4, 5, 6, and 7) and 'adding realism to the course' (item 21). When compared with the result from HK study by Chang and Jennings (2003), the results are all very similar and close. When compared with the result from UK study conducted by Jennings (2000) the results are also similar except for items 11, 14, and 15 (items 12, 13 and 16 in UK study). Overall, scores from China in these three learning methods tend to be lower and thus more favourable when compared with findings in UK and HK studies (Jennings, 2000, Chang and Jennings, 2003).

### DISCUSSION

Results here do not support the view that multiple learning methods complement each other to develop a range of skills. Nonetheless, simulation tends to be associated with higher ratings across a wide range of intended learning outcomes.

**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	9-20
Adding realism to the course	21
Career development	22

**TABLE 2**  
**SURVEY RESULTS IN CHINA**

<u>Item</u>	<u>Mean</u>		
	<u>BS</u>	<u>C</u>	<u>CP</u>
1	2.00	2.10	3.50
2	2.35	2.10	4.00
3	1.25	2.50	4.50
4	2.20	2.18	4.00
5	2.25	2.00	3.80
6	1.34	2.00	3.70
7	1.95	2.20	3.80
8	1.95	3.00	3.80
9	1.95	3.00	3.80
10	2.15	2.90	3.50
11	2.25	2.60	2.55
12	1.50	2.00	3.30
13	2.00	2.45	3.30
14	2.55	3.25	3.25
15	2.55	3.20	3.20
16	2.10	2.10	3.00
17	2.20	2.15	3.00
18	1.80	2.55	3.60
19	2.00	3.35	3.40
20	2.00	3.15	3.00
21	1.15	1.55	2.50
22	2.80	3.90	4.00

BS: New Business Venture Simulation  
C: Case Method  
CP: Consultancy Project

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 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. While such variation in student response was not apparent, the comparatively more stressful and uncertain nature of the situation presented by consultancy projects may be reflected in the lower ratings that were given in the China study.

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 students feel able to explore situations with a feeling of certain safety and comfort. This seems to be quite genuine and consistent as reflected in Jennings' study in 2000 and Chang & Jennings's study in 2003.

## CONCLUSIONS

The use of multiple learning methods is a common feature of strategic management education but considered a bit new in China. It provides complementary learning situations, appears to be an attractive aspect of course design and provides student to learn in real life work situations. In addition, the evidence of the survey reported here in China also implies that neither principle necessarily forms a basis for a successful course. In fact, 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 as Chinese students tend to be passive. A business simulation, which requires few educational resources, can provide a more highly rated learning experience than that available through the use of either the case method or consultancy projects. Overall, students' scores are considered low in all three aspects particularly the business venture simulation and case method when compared with results obtained in previous studies.

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**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