

Development In Business Simulation & Experiential Exercises, Volume 18, 1991

DESIGNING MANAGEMENT SEMINARS USING BUSINESS SIMULATIONS

Sam E. White and Alan M. Cabelly,
Portland State University

ABSTRACT

Lack of experience is the greatest impediment in adapting simulations to organization training situations. Adaption requires revision of practices and procedures to meet the learning styles, needs, and expectations of executives. Suggestions are offered to change administrative procedure, simulation parameters and learning environment to meet the needs of organizational training.

INTRODUCTION

Although simulations are a popular method of instruction in university programs, there is minimal evidence that they are viewed as an effective pedagogy in executive training programs. [Ralphs and Stephan, 1986]. Since there is empirical evidence that the results of using simulations for management training are similar to those obtained in academic setting [For example, Faria, 1987; Wolfe, 1985], why is there a divergence in use of simulations between university and organizational settings? One plausible explanation for the discrepancy appears to be that there is a general lack of sufficient experience in adapting simulations to meet the requirements of the executive training.

Our objective is to share some ideas about adapting simulations and to stimulate others to address the issues related to using simulations as a training method in organizations.

ADAPTING TO TRAINING SITUATIONS

The executive's learning orientation and decision making experience and the time allocated to program activities must be considered in adapting simulations for organizational programs. The executive role requires continuous evaluation of situations and decision making in concert with coordinated team activity. In addition, most managers are minimally aware of the multi-faceted nature of the effects of executive decisions among functional areas. Most executives also expect training activities to be intense, quick paced and limited in duration. This configuration of attitudes and expectations suggests that to be effective simulation activities must be compressed into a tight schedule and the emphasis must align with the experiences of participants.

Changes in Administrative Procedures

There are four primary adjustments that are necessary when moving to a corporate training situation. These are: decreasing the decision to results turnaround time; balancing power and influence differences in team assignments; providing sufficient decision support systems; and adding incidents to maintain concentration on simulation activities.

Since the duration of the simulation experience has been shortened, more rapid turnaround may be necessary. It may be achieved by using electronic entry of decision data and simultaneous processing of decision results.

Previous power relationships among participants may interfere with training objectives. Minimizing these effects while ensuring that each team has the required expertise to understand how functional areas interrelate is an important balance to be achieved.

Assistance in data entry for spreadsheet analysis and decision input along with sufficient time for understanding results will help executives overcome the technicalities of "data crunching."

If interest in making decisions begins to wane, it is important to introduce feature such as labor disputes to refocus attention on simulation activities.

Modifying a Simulation for Executives

It is important to accurately capture the essence of economic effects for the industry from which the executives originate. Five simulation dimensions that should be adjusted are the business orientation of the simulation; the demand elasticity of the product or service; the macroeconomic conditions; the specifics of industry characteristics; and the geographical areas of product distribution.

Depending on the purpose of the training, the administrator may select either a service or a manufacturing oriented simulation. Next, the trainer should strive to create an experience in which the elasticities affecting product or service demand have the same relative relationships as those experienced in actual practice.

To provide exposure to the dynamics of international business a simulation should minimally include differing exchange rates, differing tariffs and trade restrictions, and differing salary and wage rates. A lecture on the impact of culture on business practices is also helpful.

Since most simulations limit the number of competitors and the relative effect of each competitor's actions, matching actual industry characteristics is difficult. One method of bridging the gap is through a lecture on strategic groups.

Changes in the Learning Environment

Changes to the learning environment include changes in facilities, changes in the length of lectures and changes in the content of lectures and discussions.

It is advisable to select a training location that reduces the number of distractions for participants. Company facilities often do not provide adequate space and there is a tendency for executives to be interrupted for crisis situations" on a regular basis. Mini-lectures providing new ideas and illustrations of their application are especially well received by executives. There is a strong need to provide illustrations of the techniques and procedures for analysis and how to interpret results.

CONCLUDING REMARKS

Changing simulations to increase compatibility with executive needs is a challenging endeavor. When properly executed it is a stimulating methodology. It provides benefits, which are unavailable from other training methods.

REFERENCES

- Faria, A. J., A Survey of the Use of Business Games in Academia and Business." *Simulation & Games*, 18, 207-224, (June 1987)
- Ralphs, L., and E. Stephan, "HRD in the Fortune 5007 *Training and Development Journal*, 40: 69-76. (October 1986)
- Wolfe, Joseph, The Teaching Effectiveness of Games in Collegiate Business Course." *Simulation & Games*, 16: 251-288 (September 1985)