

# Developments In Business Simulation & Experiential Exercises, Volume 17, 1990

## SIMULATION EMPHASIS IN THE BUSINESS SCHOOL CAPSTONE COURSE

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### ABSTRACT

Recent articles are inconsistent when discussing the most effective mix of simulation, case method and lecture & discussion pedagogies in Instructing the Business Schools' required 'Capstone' course. An emergent type of evaluation of these pedagogies is made using a 'naturalistic paradigm' rather than the traditional 'scientific paradigm' on which previous research has been based. Recommendations include a suggestion that the American association of Collegiate Schools of Business make the use of simulation mandatory for the 'Capstone' course.

### SIMULATION EMPHASIS EVALUATION

The prerequisites for Capstone course enrollment are the successful completion of the junior level "building block courses in finance, accounting, marketing and management plus Senior Standing. The American Assembly of Collegiate Schools of business specifies the course content and mandates curriculum inclusion as an accreditation requirement. By far, Case Method type instruction has predominated the teaching methods. But over the last few decades, business simulation games have been gaining a stronger emphasis.

A review of recent articles regarding the use of simulation as well as numerous interviews with both students and instructors of the Capstone course gives rise to a number of questions involving both pedagogical emphasis and instructors' perceptions. In order to obtain a new and perhaps more meaningful evaluation an emergent, formative merit evaluation process along the lines described by Michael Quinn Patton in his book "Creative Evaluations" (1987) was used.

Over the last few years, the use of the business simulation game exercise in the Capstone course was qualitatively expanded by some instructors to include the elements of strategic planning, formal periodic reports by the student teams and case—like critical discussion and analysis of simulation events by the entire class. The instructor interviews brought out some interesting dichotomies which are believed to be the main reasons which have prevented a quantitative measure of pedagogical effectiveness. For example, it soon became apparent that "lectures and discussions, case analysis" and simulation were not being used as discrete teaching methodologies! Each pedagogy overlapped with the other! Case type reports were sometimes required of the student simulation teams and, on the other hand, subsequent lectures and discussions took place regarding lessons learned from the simulation.

There are many effective general management type simulation games on the market, but unfortunately the cost of them are heavily focused on quantitative results. Richard Cotter, in his 'The business Policy game' (1986,ed.2) suggests that the instructor might wish to formalize the start

of the game with each team preparing a "Policy Manual" followed up by annual reports at the end of each year's play (four quarters). Thus, a qualitative element may be added to the simulation game. In particular, the criteria for determining the "winners" of the University of Nevada Reno Games rely heavily on the quality and faithfulness of achieving the goals called out in the reports of the student teams.

Outside judges (practicing business executives) not only review the originally submitted "Business Plans and subsequent Annual Reports" but actually visit the student teams in their assigned "board" rooms in order to qualitatively judge the management team's performance with respect to the other teams. The criterion for "winning is thus not completely quantitative but qualitative as well. This certainly is a more realistic criteria than one measuring just total sales, profits and Return on Investment at the end of play. This is where the dichotomy lies in the business simulation games. It is easily seen that with just a little more effort, the qualitative elements of strategic planning, meaningful shareholders reports and annual meeting presentations might bring a qualitative balance to the historical quantitative use of these games.

### RECOMMENDATIONS AND CONCLUSIONS

There were three major questions posed in this article. Some answers resulting from this evaluation follow each:

1. What should be the 'proper' balance of pedagogies used in instructing the Capstone course in order to achieve optimal learning? Both student and instructor interview data indicate an overlap of what has heretofore been considered distinct pedagogies. Thus the instructor can, and some now do, use the business simulation exercise results in a very active and meaningful set of lectures and discussions". Similarly, the Simulation model could represent a real industry, such as the automotive, and provide not only experiential learning but the same instructional facets as those of the Case Method".
2. Will experiential methodology become the dominant element of the pedagogies used in the Capstone course? The data behind this evaluation suggests that simulation will find an equal place in the Capstone pedagogies as their quantitative use will be tempered by qualitative reasoning similar to those used in judging the University of Nevada Reno Games.
3. Should there be special pedagogical guidelines for the Capstone course Instructor? It is suggested that the AACSB review its mandates on the Capstone course in order to require simulation in this most important element of the business schools' curriculum, the Capstone course.