Simulation Games in Training New Management Methods

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ABSTRACT

Uniqueness - The dynamic development of the means of telecommunications has created, for the first time in history, conditions to give the concept of substantive globalization appropriate methodological content. The importance of and interest in the development of the global network community is exaggerated by the achieved economic results. 1 A consequence of the occurring processes involves changes in the approach to many problems, which seem to have achieved a definitive standard of solving themselves. Arising from this are new ideas, definitions, models, systems and theories. A burning problem for conscious managers and entrepreneurs became the accessibility to high-speed methods of educating and training new "novelties". The speed of their 'mastery' is dependent upon, among other things, getting a so-called market advantage. The article presents the rapid 'mastery' by managers and entrepreneurs through new emerging methodologies for decision-making or management, with the combination of different management simulation game technologies.

Key words: New management methods, strategy management, decision –making simulation games

In the era of creating a business environment through Internet networking solutions the fundamental importance of adaptation is to quickly adapt to changes. Changes force the emergence of new approaches and methods allowing effective management in a dynamically changing environment. Companies which react the fastest to challenges posed by *webonomics* or *wikinomics* gain almost an automatic advantage against their competition on the market. At the same time, the best thing is not only to understand the new methodology but to become a master of the practical. One should also distinguish, that it is one thing to master the new management methods such as process management through a direct user and another is to understand the philosophy of a new approach by high level managers (CEO's), namely strategic decision makers. In the first example, it is enough to take a good instructional handbook and "force" a potential user to get acquainted with it and then proceed to "make" him/her do a corresponding number of exercises. However, if one does not want the implementation of the "management process" to be limited to the introduction of ISO into the organization, one must offer managers the opportunity to understand at a decision making level what the new approach is based on. To understand the philosophy behind new management concepts such as "Agile Design", which is necessary for managers to understand the levels of decision making, it is vital to use other methods of learning. Agility is managing an organization in a way that allows flexibility and rapid response to changing business conditions of the environment in which it operates. This cannot be taught using a "prescriptive" method based on an instructional handbook.

Another example would be Knowledge Management. Understanding the essence of this approach can be obtained only by creating conditions that allow a genuine feel for the new approach (methodology) that brings benefits into the workplace. If the decision level managers agree with the following intuitive statement: *Management of business processes in the enterprise enables rapid adaptation to an ever-changing social and economic environment dynamic. Then* Without proper training, managers will not be able to properly deploy management process in day-to-day operations within their organizations.

Yet another example would be the *Blue Ocean Strategy (BOS)*. A fascinating text but insufficient. After reading it, it may be difficult to make brave decisions in developing a business strategy based on the methodology of BOS with full conviction, that this is done in accordance with the rules of procedure. The cases described above require a form of training to effectively master "novelties". The best solution would be to use the approach of learning by doing. Unfortunately, this is not possible to conduct for the following reasons:

- It would entail a high experimental cost on a "live organism" of the company.

- It would require too much time.

- It would entail too many risks (measured also by an increase in cost) in the case of failure.

Experience, and not only the author's, indicates that especially useful in the practical training of managers while using new methodological solutions is teaching through experience, since participants:

- Learn to identify problems, rationalize analysis, and decision making under conditions very similar to those in the workplace.

- Gain experience with cooperating under difficult circumstances.

- Practice management as a group function, and learn how to achieve success depending on the acceptance and support of the group.

- Engage in team discussions which usually are more fruitful than even an interesting lecture remains only a monologue.

- Are "sentenced" for the involuntary application of the following trilogy: "unfreezing, change and then freezing" as an element of the training model.

- Undertake operations, from which it is clear that they include the basis of useful theory and methodology.

- Receive immediate feedback and results.

- One of the most popular methods of teaching based on experience includes managerial (business) simulation games. This is because simulation games verify the knowledge not through definitions but through understanding the problems and developments that occur.

- However, in proper training on the basis of a synthetic curriculum on a simulation game, one must avoid the following:

- Oversimplification of the model when compared to reality.

- Participants left to fend for themselves for long periods during training, no comments on the observed behavior, which may be incorrect.

- Make generalizations based on one experiment.

Games of this type must be designed in such a way that the outcome is dependent on the correctness of the methodological decisions made but at the same time the participant had the opportunity to deductions based on historical data contained within the model of dependencies (ex. Shape of demand is dependent on price) and thanks to this managers can make more informed decisions. Simulation games are used for creating an imitation of the real environment, which allows its participants to study and at the same time observe behavior in various kinds of situations. The more the game is similar to reality the more it fulfills its role as an instrument for the training of staff. However, in contrast to the strict sense of simulation models in the game it is more important that the ability to create a scenario that would allow decisions that are as closely as possible to those in which decision-makers will have to make in real world conditions. This type of training allows for perfecting the managerial decision-maker workshops without increasing risk and thus costs associated with misconstrued or outright incorrect decisions. This also allows for decision makers to be made aware of their managerial abilities. An additional advantage is that you can combine the simulation game training with analytical knowledge through case studies. New scenarios used in the game can be based on previously developed experiences from the previous games.

It would seem at first glance that the training mentioned at the outset of new management methods should be the so-called complex interactive management game (*total management games)*. At the same time I understand the interactive game in which participants compete on the same market and their decisions influence each other. It is possible today to include very sophisticated interactions that occur between the participating teams. It is possible to implement very complex training purposes at a relatively low cost. However, still creating games for new concepts in management training is very difficult for this reason: the decisions of the other participants can permanently hinder the achievement of a of a "holed up" goal (s) of the game. To create a security system for blocking the "leveling" of such bad decisions is difficult and costly. A much better solution for such cases is to use a mixture of games such as *Total Management Games* and *solo* games.

In the discussed solution, the board of the simulated company competes on the same market and in the same business environment but its decisions do not influence the results gained by the other competitors. They are the only "controlled" built-in mechanisms of the game that can "direct" the team to make correct decisions. Of course, there occurs a large degree of freedom (consciously founded). This allows you to periodically compare results achieved between competing teams of evoking the same emotional reactions that cause the game to be purely competitive. It is important to note that emotions which are caused by positive competition evoked through simulation games are a strong motivational element in learning.

In the case of management training aimed at mastering a new concept of management it is important for them that participants gain some experience in the area that is subject to improvement. This means that a necessary condition for the use of simulation games is at least to have a basic understanding of the approximate methods or techniques which are the subject of the training. In the course of the game participant training includes enrichment and expands the participant's experience which allows for better decision making that is more versatile and full during the course of the game. In addition, the game gradually provides new knowledge that is not available to the participant during the first phase of the game. The point is, for the process of learning the reality is to draw it as close as possible to the actual reality, using experiences of the participants and very often assuming that reality will be very similar to the simulated reality.

In the author's experience, the element that has a significant impact on the effectiveness of game-based training is the instructor that is leading the training itself. Led by a skillful discussion also referred to as a debrief after subsequent stages of the training implementation of the tasks that were set before the training can be accelerated. One should not limit the time of the meetings.

It should also be noted that the simulation environment in which managers work which is created by the game, can also be used to identify the causes of suspicion or difficulties in the assimilation of modern management techniques. This allows one to make adjustments to the system and consequently increase its efficiency.

From the point of view of a technological game all of the above mentioned features clearly occur particularly in the case of a *solo* game. On the other hand from the point of view of the functional scope of the game it needs to be complex. From this, according to the author of the game combining both the approaches should be used in a practical exercise perfecting new methods and techniques of management by upper level managers.

It is worthy to pay attention to another aspect of training of managerial simulation games. The winner of the game, of course, receives well-deserved satisfaction, those that have achieved this aim gain this satisfaction. But the goal of the game, which is to gain new experiences, knowledge or skills, is achieved by all participants. So, the participants that "lost" actually won and quite often it

occurs that the increase of experiences and knowledge for the one's that "lost" greater than from the "winners".so w

In the case of training managers based on management simulation games it is important to be able to verify oneself in the "war" with the completion. People like competing amongst themselves especially when they feel competent in the subject they are competing in. It is also worthy to note that management games are games with a multitude of criteria and one can be successful (partially) from the point of view of only one or two criteria. This also gives satisfaction and another reason to be pleased. Also significant, is the opportunity to make decisions using various methods of optimization, intuition and very sophisticated heuristics.

Comparability with reality is an obvious prerequisite for games used for training managers. The value of a simulation game rises under the influence of game play that creates stories. The model takes into account the ever new socio-economic aspects of reality that it is simulating. Thus, in the game dynamic is very important, when the decisions of the participants influence the following scenarios. The changes of scenarios may take place under the influence of a mechanism built into the model or under the influence of conscious intervention from the arbitrator.

Because of the arbitrator special parameters can steer scenarios if he/she deems it appropriate to spin scenarios allowing participants to practice new managerial predispositions.

In conclusion, the above deliberations of the author are consideration that the near future belongs to complex functional games in a solo version with strongly developed aspects of rivalry. Creators should focus on the creation of carefully thought out scenarios and mechanisms directing the correct methodological decisions. These conditions are met by the *Blue Ocean Strategy Simulation,* which just came out onto the market.

It meets all the conditions set forth in the article. Participants move from a traditional training approach to develop competitive business strategies (red ocean) to a novel approach (blue ocean).