

## Simulations in Management Education

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Simulations are not a new tool in the learning and development toolkit. Larger organizations such as Boeing and General Electric have been using simulations of one kind or another since the '70s. Although the types of simulations available as well as the level of complexity each contains have evolved considerably, the mission of the simulation has remained essentially unchanged: to offer students a chance to learn in a risk-free environment where they can practice skills, thereby increasing the likelihood of retaining and applying new knowledge on the job.

### Why Use Simulations for a Management Audience?

There are several major types of simulations including simple role-play exercises and more advanced computer-based, virtual or online programs that use artificial intelligence. Each has strengths and weaknesses that vary according to the learner, his or her role in the organization and what skills the simulation attempts to build. Simulations also vary according to the information available, which can be conceptual in nature, based on straightforward, tactical skill acquisition related to policies and procedures or for senior-level and management populations, mission-critical and advanced strategic thinking games that mirror business scenarios such as mergers, acquisitions and significant organizational change initiatives.

“We sometimes fall into the trap of thinking that the more senior someone is the more we should lecture at them because they’re smart and they’re going to get it,” said Joyce Filupeit, director of leadership development for ClientLogic. “The truth is they really need to be engaged and involved and have that opportunity to discuss and experience and practice just like everybody else does.”

Learners in upper-level management can be difficult to train via simulation. They are apt to question the value of the program, and they might even query the ins and outs of a simulation’s construction before expressing anything beyond a mild curiosity over the information it contains. Yet the rewards can be significant once the competitive nature of most executives has been engaged because this strategically motivated population can affect the most change in an organization.

“I actually do not use computer simulations with the most senior executives,” said Rita McGlone, senior director at Wharton Executive Education. “Some people within two reporting relationships to the CEO in the C-suite tend to try to game the simulation. They’re more interested in knowing, ‘What’s the motivation behind this? How does the simulation work?’ It has to be very seamless and completely transparent in order to work. Sometimes the more-senior folks want to know the details of how things are being calculated. If they can’t figure that out, they don’t give a lot of credence to the simulation.”

McGlone said for this audience, role plays, interpersonal group activities and peer interactions work better because learners can share experiences. Ken Pearson, senior manager at Wal-Mart University, Wal-Mart Stores Inc. agrees. In Wal-Mart’s “Managing

Your Market For Success” simulation, all 342 of the organization’s market managers, each responsible for 10 to 12 stores, worked in table teams on a two-phase learning discovery process that emphasized team work and the business rewards and risks that can result from collaboration.

“In the discovery learning process, they’re actually discovering learning and best practices to implement in their market from each other. We targeted three specific competencies tied to successful market-manager performance: analyzing their markets, developing sales and driving continuous improvement,” Pearson explained. “They came back in a second phase for a more in-depth simulation where we introduced financial acumen into the process. How did their decisions as a market manager impact the finances of the company? They’re actually looking at a fictitious market, a color visual map that’s got stores on it. They can see inside the stores as they move around different sections of this learning map and different scenarios tie to the area of the map that they’re in. From a level-one measurement the results were 95 percent favorable. We’re looking at about a six-month process where we go back and interview marketing managers and observe different behaviors that we are expecting to improve through this process.”

### **Glimpse of the Future**

Simulations offer learners the chance to test out strategy, make decisions and experience realistic market and product repercussions without risk but with feedback. Johnson Controls Inc. launched the Foundation Business Simulation to give new directors, senior managers and other managers of managers a workable glimpse into the types of business decisions required in their new roles and even roles a step or two above the one they’re transitioning into, said Janice Simmons, vice president of learning and development, Johnson Controls Inc.

“A lot of people think that running a business and making decisions is tough, but they’d like a crack at it and be part of a team,” Simmons said. “What we see as results is awareness raising, a lot of ‘ah-has’ around ‘Did we follow our strategy or did we veer from it, and if we did, why did we change our strategy?’ There are a lot of lessons that they pull back into their own organization. People who are coming out of sales, manufacturing or a functional area will say, ‘Wow. I had no idea it was so hard to forecast sales. I had no idea how all these things have to come together,’ and ‘I’ve always wondered why that other group couldn’t get their plan together. Now I see it’s because I hadn’t given them the right information.’ It creates a real understanding of how all the pieces of the business fit together and how you have to share information for people to really do the best and meet expectations.”

“If you define learning as ‘OK, we’re going to change behaviors with new skills, knowledge and pieces of information and attitude and do this quickly with increasing speed.’ If you put a business spin on all that, what we want to do is create learning that benefits long-term retention. You do that by paying attention to adult learning processes and what are the different learning styles of the individuals involved,” Filupeit said. “Training has to be active, emotional, so the person gets excited and says, ‘I can take this back and make this work.’”

Pre-work can help management-level learners fully connect to learning. Stephen Mercer, president of SRM Consulting Ltd., former vice president of learning and leadership development at Boeing Company and former manager of executive education at General Electric, said providing executives with pre-reading helps to level-set the person's skills coming into the simulation and aid its learning purpose. Simulations might be the focal point of a program, but a blended learning delivery approach is still the best way to relay and cement knowledge and skill.

"Allow people to make mistakes in the simulation and then follow it up with a classroom discussion in which you talk about how it might have been done differently. Sometimes you need to do that after the fact because if you try to do it before people say, 'Well, we knew that,' and they're not really listening," Mercer explained. "Sometimes you have to let them fail in the simulation to realize that they need to pay attention to material that you're trying to convey about their business situation. Sometimes you tell them there's going to be a discussion on say, market segmentation or strategy and, especially when you talk to executives, they say, 'Oh, we know all about strategy,' and they tune out. If you let them start off and make a couple of strategic errors and then talk about those errors in a subsequent discussion, people pay a lot more attention."

### **Assess Learner Needs versus Organizational Benefit**

In order to reap maximum benefit from a simulation program, learning objectives and audience needs should mesh. ClientLogic offers a three-day Advanced Project Management Simulation Workshop with a mix of roughly 20 percent lecture and 80 percent hands-on exercises. This addresses senior leaders' need for scenario-based learning that is directly applicable to their business environment and the organization's need for managers who can lead a team and effectively implement sophisticated project management skills.

"The more senior you get the more complex types of decisions you have to make," Filupeit said. "For example, something very key when you're very senior in the organization is how to manage risk. How do I make a good assessment of what I'm going to do? You can't wait forever and hope that things will show up neatly in a package."

The Campaign for Nursing's Future program, part of the Johnson & Johnson Health Care Systems, worked with BrandGames to develop Nurse Manager Orientation. The interactive simulation addresses a nationwide need to educate nurse managers who are frequently thrown into what Consultant Lori Culwell described as a "sink or swim situation." "The virtual nurse managers' CD is a program that we developed in conjunction with a group of nurse managers from the New Jersey Hospital Association. We'd heard from a number of nurses that due to the huge attrition rate, new nurse managers would get promoted without having any managerial training whatsoever. They would be thrown into a role without being trained in conflict resolution, scheduling or any of the things that they need to know, and they found the job so stressful that they mostly all quit."

Culwell and her team took a poll and found that most of these nurses had access to PCs, were computer savvy and would use a program focused on teaching them

management training. Another poll of nurse managers asked questions such as “What do you wish that someone had taught you when you got promoted?” to determine what the simulations content would entail. “Some said, ‘Oh, my gosh, I wish I had known how to be a manager. One day I’m a nurse, the next day I’m a manager, and I’m managing my friends.’ It includes things like conflict resolution to deal with your peers, scheduling, which is a big thing in the nursing world because the nurses expect to be scheduled based on hierarchy. There’s a lot of politics, so (the simulation teaches) how to negotiate those politics,” Culwell said.

The result depicts a series of training scenarios featuring real people. “In one scenario you’re a nurse manager, and you’re making the Christmas schedule. One nurse says, ‘I want to be off at Christmas, I’ve worked here the longest.’ Another one says, ‘I want to be off at Christmas, and if I’m not I’ll just quit because there’s so many nursing jobs, I don’t need to be loyal to this hospital.’ What do you do? These are real problems that they face,” Culwell explained. “You pick the answer that you think is the best, and if you get it wrong a real nurse manager that we videotaped pops up and says, ‘Here’s a better answer.’ You can learn the types of responses that are appropriate in situations that will help you the most. We’ve had an amazing response to it. We send it out for free, and we’ve already sent out 20,000 copies.”

To add value and increase a simulations’ effectiveness, they should reflect real business issues and concerns. TAP Pharmaceutical Products Inc. asked its field sales managers to come to the Versatile Pharma Coach simulation with two problems they faced that required a coaching intervention. With that pre-work in hand, participants learned some of the ins and outs of coaching and practiced different scenarios on their team members. This allowed them to get feedback and generate new ideas on how they might handle situations.

“Let’s suppose a sales representative on a sales call wasn’t listening carefully to a customer’s objections, and the manager noticed that,” said Eric Otterbein, director of field sales management development, TAP. “The manager says ‘How am I going to say that to Joe Smith so he doesn’t get defensive and has a very good understanding of why it’s important to listen carefully to a customer’s objections? Am I just going to blurt it out, or am I going to set this up a little more carefully so that Joe’s more attentive and will receive it better?’

“We taught them how to do that through the coaching program, and it worked very effectively. We had great comments back in our evaluation forms. They felt this would be a real help when they got back out with those direct reports. We felt that it was an opportune time to do a coaching intervention, and the best way to do it was with a classroom opportunity so the simulations would work better. If you did that type of thing online, I don’t think it would have been as effective. In fact, I know it wouldn’t have been.”

“If you’re going to have people experience something there are two ways to do it,” Mercer said. “You can have them experience the real thing, and you can have them experience as close as possible a realistic simulation to that. One of my colleagues had this expression, ‘Practice Makes Permanent.’ When you practice something in a simulation, it’s something ingrained in your way of thinking and the way you approach

problems. It's a real valuable method of having people practice the business skills they are going to need to be successful.”

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