Campus Based Students’ Perspectives on Strategic Management Simulation: 
A Contextual Study

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Abstract
Although business simulations are widely used in management education, there is no consensus on optimising their application. Our research explores the use of business simulations as a dimension of a blended learning pedagogic approach for management education. Accepting that few best-practice prescriptive models for the design and implementation of simulations in this context have been presented, and that there is little contemporary empirical evidence for the claims made by proponents of such models, we address the lacuna by considering business student perspectives on the use of simulations. Data was gathered from a source of 487 campus-based students, gathered over a three year period. We then intersect the available data with espoused positive outcomes made by the authors of a prescriptive model. We find the model to be essentially robust and offer evidence to support this position. In so doing we provide one of the few empirically based studies to support claims made by proponents of simulations in management education. We follow with suggestions for further research into the employability outcomes of simulation based training, based on the results of our study. The research should prove valuable for those with an academic interest in the use of simulations, either as a blended learning dimension or as a stand-alone business education activity. Further, the findings contribute to the academic debate surrounding the use and efficacy of simulation-based training within business and management education.

Keywords: Simulation, SBT, Management Education, Pedagogy, Higher Education
1. Introduction

Within the academic literature there is robust debate on the use of simulations as a blended learning dimension. However, few best-practice prescriptive models are presented for the design and implementation of business simulations in the management education context. Furthermore, there is little empirical evidence for the claims made by such models (Mitchell, 2004; Borner et al, 2012). As educators in the field of strategic management, we seek to develop innovative and engaging teaching and learning practices, of which simulation based training [SBT] is a component. This study therefore compares undergraduate business student perspectives with claims made by proponents of one peer-reviewed best-practice model presented in the recent academic business education literature, in the context of blended learning pedagogy.

Our study first reviews the literature on blended learning within higher education management education. Secondly, we explore simulations as a dimension of blended learning. We then conclude the literature review by outlining a seven-stage prescriptive model (Salas et al. 2009) that underpinned our activities and that has therefore been selected for the basis evaluation and validation in this study.

The study then outlines methodology and methods designed and used in the described case example. This is followed by a discussion of the results (outcomes) and findings of student responses to a survey on key aspects of a blended learning delivery that incorporated a substantial business simulation.

The study concludes with a review of the outcomes and student observations, in relation to the cited seven-stage model. We argue that the findings are consistent with expected outcomes of the model, when implemented as prescribed by its authors (Salas et al, 2009). Accepting that there is little empirical evidence to support claims made by proponents of best-practice models, our study addresses the lacuna in the literature relating to SBT in management education as a component of a blended learning pedagogy. It is considered that the findings will be of value to Management Education professionals and other training providers in evaluating and delivering SBT.
2 Literature review

2.1 Blended learning

In recent years ‘blended learning’ as both a term and pedagogical approach has gained significant currency within the Higher Education (HE) sector. In simple terms, blended learning can be considered as a combination of technology enhanced and face-to-face learning (Bonk & Graham, 2006). However, it is argued that it is the effective integration of this face-to-face and technology enhanced learning that will facilitate active learner engagement and foster ‘deep learning’, a state from which positive outcomes for students can be observed (Singh, 2003; Biggs & Tang, 2007; Kanuka, 2003; Bonk & Graham, 2006).

Blended learning has not been without its critics. Some argue that blended learning is nothing more than a marketing buzzword for a repackaged product that adds little that is new. Others argue that the term ‘blended learning’ is erroneous: learning is rarely a result of ‘blend’ and that what is really being addressed is delivery of teaching, implying that the term ‘blended learning’ needs to be reconsidered (Oliver & Trigwell, 2005). Further arguments contest that the use of such pedagogical approaches may be more influenced by the external political environment and economic imperatives than enhancing the learning experience (Carr, 2005). Indeed, it has been argued that many adult learners returning to education may have ‘phobia’ relationships with computers and/or lack the technical skills required to fully engage with blended learning approaches (Saade & Kira, 2009).

Such critiques, however, do not address the underlying arguments by proponents of blended learning approaches that, despite issues with definition and originality, blended learning has been found to have a wide and varied range of benefits – for learners and for institutions – beyond enhanced engagement and ‘deep learning’ experiences. Furthermore, with supported delivery methods, issues related to technological know-how can be overcome. In the institutional context it has been argued that blended learning provides a cost effective way of enhancing under-enrolled programmes that allows for more flexibility in scheduling whilst retaining face-to-face learning and improved management of teaching loads. Furthermore it has been argued that blended learning approaches help meet contemporary student expectations, leading to a move toward more active learning and student-centred pedagogical strategies (Lorenzetti, 2011; Graham et al. 2005; Lloyd-Smith, 2010).

For learners, discourse facilitated through asynchronous web-based tools as part of a blended learning programme can be more reflective and objective than that in a face-to-face forum. Increased engagement, a more diverse learning experience and, importantly, more breadth and depth of learning have also been espoused as benefits of a blended learning approach. Flexibility for students to balance jobs, families and other commitments with study opportunities; particularly in the context of ‘non-traditional’ students has also been noted as a benefit (Garrison, 2004; DeLacey & Leonard, 2002; Lloyd-Smith, 2010).

In spite of the debate on merits, or otherwise, of blended learning and blended learning pedagogies, it has been argued that in the ever-changing context of technological innovation, higher education institutions must address the concurrent
change in student expectations (Garrison & Vaughan, 2008). The need to reduce the cost of education, whilst increasing education provision to a growing customer base, has become an increasing pressure on higher education institutions. It has been argued that it is these factors that have lead to an adoption of the blended learning approach across the HE sector (Garrison & Vaughan, 2008; Carr, 2005).

Traditionally blended learning has been distinguished from enhanced classroom, or purely online, provision through the linkage between traditional classroom activities and web-based e-learning activities (Garrison, 2004; Oliver & Trigwell, 2005). However, it is argued that this position takes too narrow a view as blended learning encompasses a more diverse range of dimensions (Singh, 2003; Oliver & Trigwell, 2005). Therefore in order to promote enhanced learning, blended approaches should combine differing dimensions of delivery media in order that each is complimentary to the other (Singh, 2003). Much discussion on these dimensions can be found in the literature, differentiating between synchronous, asynchronous, physical and online formats along with support mechanisms such as documentation availability and technical support (Singh, 2003; Rossett et al. 2002).

2.2 Computerised/ Online Simulations

In more recent times, computerized or online simulations have been identified as a self-paced, synchronous blended learning dimension that can be utilised as an integrated tool to enhance learner engagement and understanding (Bonk & Graham 2006; Singh, 2003), with the main aims of any simulation being to ‘imitate a system, entity or process’ (Lean et al. 2006, p.228).

Whilst modern business simulations can trace their roots to the 1960s when experiential learning as a pedagogical approach began to be accepted as a tool for addressing the limitations of more traditional teaching approaches (Keys & Wolfe, 1990; Lean et al. 2006; Gredler, 2004), the use of simulations throughout the HE sector as part of management education programmes has certainly increased dramatically in recent times (Faria & Nulsen, 1996; Avramenko, 2012) and interest in exploiting the educational benefits of such simulations continues to increase (Wideman et al. 2007).

Within the academic literature there is robust debate about the value of simulations in the management education context. Van Ments (1999) argues that simplifications that are misleading, or trivial factual errors that could be made, may negatively influence the outcome of a simulation. Van Ments further argues that the amount of resources required to run a simulation may be restrictive, in terms of time and professional staff required. Others contest that simulation, when compared to case study activities, has no inherent superiority and cannot be considered a panacea and that often no difference in performance against learning outcomes is recognised (Mitchell, 2004).

Yet in spite of this critique, current management education literature can be seen to be positively aligned with the use of such tools. Indeed, the espoused virtues are impressive. For learners these include the advantages of experiential learning and practical experience in addition to an academic education, enhancing the development of management skills, producing more effective managers, provision of
complex and realistic learning environments, provision of a risk-free, experimentation-friendly environment, increase in dynamic knowledge, inherent engagement of learners (and related ‘deep learning’) and the enablement of learner controlled study (Salas et al. 2009; Feinstein, 2001; Keys & Wolfe, 1990).

2.3 The Seven Stage Model

Whilst the majority of simulation-based learning literature critiques and adds to academic understanding, the content tends to be descriptive in nature. As such, the available literature offers few best-practice models for the design and implementation of simulations that would aid facilitators in realising the benefits often espoused by proponents of their use (Lean et al. 2006; Salas et al. 2009). In order to address this lacuna, Salas et al. (2009) propose a seven stage framework for the implementation of SBT. As the authors do not state otherwise, an assumption is made in this study that the framework is equally valid when used as a component of a module or as a stand-alone exercise.

![Figure 1: Stages for the Successful Implementation of SBT in Management Education (Salas et al. 2009, p.565)](image)

**Student needs analysis** entails gaining an understanding of what knowledge and skills the learners possess and what needs to be delivered in training. This stage is likely to correlate to the course or module being taught within management education. The **educational competencies** stage requires the development of a clear understanding of what the simulation will deliver in terms of the change in knowledge, skill or attitude that should occur as a result. The outcomes are more general goals and, in the undergraduate education context, will likely correspond with the overall programme goals/ objectives.
The third stage, **learning objectives**, requires development of specific, measurable training objectives that can either be task-specific or task-generic. These objectives should be as specific as possible, directly address those competencies that have been specified in the needs analysis and clearly outline the requirements for satisfactory performance.

The next stage, **trigger events exercises**, relates to a simulation being chosen that allows for students to demonstrate the competencies required and developed throughout the first three stages of the process. In the management education context, this will likely involve selecting the business simulation that is most appropriate.

The fifth stage, **performance measures**, involves embedding a performance measurement process that is objective, measurable and allows for quality feedback to students.

The **performance diagnosis** stage requires that the measures chosen be used to gather data. This data can then be used to compare against the desired outcomes developed in the first three stages of the process. It is also argued that the performance measures outlined in the previous step should measure both the outcomes and the processes within the training. This, in turn, will allow for the causes of performance to be related to the outcomes at this stage.

**Developmental feedback** is the final stage of the process. It requires that feedback be given to students throughout the simulation process. In turn this allows for adjustment of strategies and improvement of competencies. It is argued that successful implementation following the prescriptive model outlined will result in specific behavioural competences:
1) Effective problem solving
2) Entrepreneurship
3) Leadership

Behavioural competences are expected outcomes of the prescriptive model as a value of SBT is that it allows students to apply and practice retained knowledge, not only in improving skills but also in inculcating desired behaviours (Salas et al. 2009). However, the available literature lacks empirical evidence that either support or refute the outcomes that Salas et al. (2009) propose.
3 Model, methodology and methods

Over-arching research objective: To validate a prescriptive model for successful implementation of SBT in Management Education.

The conceptual model developed by Salas et al (2009) was used as the reference point for a three-year data generation and analysis exercise, conducted across three consecutive cohorts of L6 undergraduates at a UK university between 2011 and 2014.

Source data on the student perspective were collected via a mixed methods approach that involved a questionnaire survey, in-depth semi-structured interviews and written student reflections.

A case study method was employed to evaluate student experience and perceptions of SBT, delivered through a computer-based simulation and associated role-playing ‘management’ group activities and assessments.

A key aim for the case study was to assess the ‘fit’ and robustness of the cited model, as applied to a typical L6 undergraduate strategic management module for which SBT was part of a blended learning pedagogy approach.

Data collected via questionnaire was gained from a distribution of 526 students, all of whom completed SBT activities as part of their strategic management module study. 487 responses were received (93% response rate). Students were asked for their objective valuation of each stage of the module, including as to how their feelings, attitudes and behaviours changed between the stages.

The findings from analysis of the students’ questionnaire and interview responses was also cross-referenced with data for student attainment in the SBT-delivered modules, compared with conventionally [non-SBT] delivered modules. [these findings will be reported separately]

4 Case Example

4.1 The Module

This study is based on a ‘capstone’, double-semester, level 6 strategic management module at a UK university, delivered in academic years 2011/12, 2012/13 and 2013/14. The cohort size in each year was between 160 and 200 final year undergraduates, comprising UK and international (mainly Chinese and EU/Erasmus) students. The majority of students (>90%) were aged between 18 and 23. The module was taken either as a required component for Business Management undergraduate degree courses, or as an optional/elective for students studying related courses such as Marketing, Accounting & Financial Management; Hospitality and Human Resources Management.

The module employed a blended learning pedagogical approach, including whole cohort face-to-face lectures, a series of regular seminars (between sixteen and twenty-five students per class), online content through a module text-specific learning system (including videos, self-assessment and further reading) and a dedicated in-house VLE
(Moodle) site. In addition to this, the second semester work was geared towards an assessment task based around a six week long online simulation exercise, in which students worked in “management” teams of four to six members.

The module delivery was designed to cover three stages of strategy: analysis, choices and implementation. Involving a range of case studies, the first semester encouraged students to build knowledge and understanding of strategic management theories and tools/models e.g. for environmental analysis, strategic positioning, strategic directions and methods. In contrast, the second semester concentrated on the implementation of strategy (strategy-as-practice), with the pedagogical focus shifting to an experiential learning approach.

The assessments for the module included a written portfolio in semester one, submitted in two parts – the first for formative feedback, the second for summative – followed, in semester two, by a report on the group-work simulation exercise experience. The report centred on developing and implementing a business plan in a simulated environment, adapting to feedback e.g. from evolving financial and non-financial KPIs, and analysis and reflection on the decisions taken and final outcomes.

4.2 The Simulation – Alignment with the Seven Stage Model

In order to evaluate the seven-stage model against student perceptions, this section provides a consideration of each of the stages outlined in the model in the context of the case study module.

In terms of student needs and educational competences, the module was designed to incorporate four key elements of the University’s Learning Teaching and Assessment [LTA] strategy: independent and collaborative learning; learning for life and employment; learning for the future (including sustainability and global awareness); research/practice-informed teaching and learning. The module began with a focus on independent learning and the development of students’ research and resource investigation skills. Emphasis gradually moved to the application of knowledge and skills in real-world contexts (simulated or actual). The group-work simulation assignment involved roleplay membership of a global management team, responsible for strategic decision-making – under changing conditions – to ensure a company develops sustainably and profitably over several years.

The aims, learning objectives and learning outcomes were defined in the module descriptor, communicated and available to all students through the VLE. A proprietary business simulation was chosen which would enable students to develop and practice the relevant competences, consistent with the specified learning outcomes [LOs] and the LTA elements (as above) i.e. with the three first stages of the SBT model’s process.

Performance measures were outlined and specified through assessment mark rubrics. Furthermore the simulation used had performance indicators embedded into the system, in the form of financial and non-financial key performance indicators [KPIs], released on a sequential basis (see below). Although these provided weekly feedback to groups on their performance e.g. share price and P/E ratio movements,
further feedback was available in the weekly seminars, with opportunities for tutor-
group discussions as well as peer-to-peer feedback.

The **trigger event** (simulation) was based around a fictional company, with each
student group taking the role of a board of directors responsible for strategic
management of the company. Online documents related to the organisation, its
environment and core business information were provided for students six weeks
prior to the start of the simulation, as part of preparation work. Prior to commencing
the simulation, each student group was required to develop a short written business
plan for the fictional company, based on the provided documentation.

Once started, the simulation consisted of a number of weekly ‘board meetings’ that
required discussion of three main components: selecting a meeting agenda; deciding
courses of action for the selected agenda items; and analysis of outcomes.

**Developmental feedback** was provided by the simulation tool in the form of
company financial statements plus financial and non-financial KPIs. Analyses
required reference to a team’s own business plan and to relevant strategic
management theories and tools. The meetings, and associated reports, were to be
completed at the students’ discretion, enabling a learner-controlled process that was
adaptable to a team’s group-working dynamics and practical constraints (such as part-
time employment commitments).

**Performance diagnosis** was based on data derived from two sources:

(a) **Outcomes**, as measured by the simulation and in the associated assessment reports
e.g. attainment grades. Student attainment grades amongst the student cohort were
analysed and indicated a substantial improvement in grades of SBT-related
assessments in comparison with those for non-SBT delivered components (e.g.
conventional case studies) of the same strategic management module. This
observation runs counter to the cited Mitchell (2004) findings.

(b) **Student feedback**, from questionnaires, interviews and reflections. These are
discussed in the next section and form a basis for evaluating this blended learning
programme through the application of the Salas *et al.* (2009) seven-stage
implementation model. Student feedback is critical since each student’s experience
with the computer-based simulation and the overall module is unique, thus allowing
for an understanding of student perception. The questionnaire survey method
facilitates collection of data that may assist in generalising some findings. In addition,
the interviews and reflections provide deep understanding of students’ idiosyncratic
situations and outcomes, as students’ experiences are a form of symbolic
interactionism (Blumer, 1969).

5 **Discussion of Preliminary Findings: The Students’ Perspective**

Student responses to structured questionnaires (n=487) showed substantially
affirmative responses to the survey questions about engagement and improvement of
skills (see Table 2) associated with the SBT components. The survey outcomes were
supplemented by a series of semi-structured interviews (n=65) and written
reflections. These are intended to bring an extra level of granularity to the research
analyses and findings. Evaluation of the supplementary studies is continuing and it is intended that findings will be submitted for publication in the near future – also forming the basis for a rigorous longitudinal study, concerned with development and validity of prescriptive models for SBT and their incorporation into blended learning pedagogies for management education.

Table 1: Questionnaire Survey

<table>
<thead>
<tr>
<th>Survey category (K–S–A)</th>
<th>Parameter (student responses on skills development, in relation to the simulation)</th>
<th>Agree or strongly agree</th>
<th>Disagree or strongly disagree</th>
<th>Mean (0-5 scale)</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>A (K)</td>
<td>The simulation enhanced my overall learning in the module</td>
<td>73%</td>
<td>8%</td>
<td>3.82</td>
<td>0.87</td>
</tr>
<tr>
<td>B (S)</td>
<td>Helped to improve my team-working skills</td>
<td>81%</td>
<td>6%</td>
<td>4.02</td>
<td>0.83</td>
</tr>
<tr>
<td>C (S)</td>
<td>More confident in decision-making skills</td>
<td>71%</td>
<td>9%</td>
<td>3.75</td>
<td>0.92</td>
</tr>
<tr>
<td>D (S)</td>
<td>Helped to improve my interpersonal skills</td>
<td>58%</td>
<td>12%</td>
<td>3.47</td>
<td>1.06</td>
</tr>
<tr>
<td>E (S)</td>
<td>Helped to improve my communication skills</td>
<td>69%</td>
<td>10%</td>
<td>3.74</td>
<td>0.89</td>
</tr>
<tr>
<td>F (S)</td>
<td>Helped to improve my negotiation skills</td>
<td>68%</td>
<td>9%</td>
<td>3.72</td>
<td>0.86</td>
</tr>
<tr>
<td>G (S)</td>
<td>Helped to improve my problem-solving skills</td>
<td>69%</td>
<td>9%</td>
<td>3.74</td>
<td>0.87</td>
</tr>
<tr>
<td>H (S)</td>
<td>Helped to improve my conflict-resolution skills</td>
<td>61%</td>
<td>10%</td>
<td>3.60</td>
<td>0.84</td>
</tr>
<tr>
<td>J (S)</td>
<td>Helped to improve my critical thinking skills</td>
<td>75%</td>
<td>8%</td>
<td>3.85</td>
<td>0.85</td>
</tr>
<tr>
<td>K (S)</td>
<td>Helped me appreciate the complexity of business strategies</td>
<td>78%</td>
<td>7%</td>
<td>3.90</td>
<td>0.88</td>
</tr>
<tr>
<td>L (A)</td>
<td>The simulation made the module more interesting</td>
<td>84%</td>
<td>6%</td>
<td>4.11</td>
<td>0.94</td>
</tr>
<tr>
<td>M (A)</td>
<td>The simulation made me more engaged in the module</td>
<td>81%</td>
<td>6%</td>
<td>4.03</td>
<td>0.86</td>
</tr>
</tbody>
</table>

Table 1 findings indicate that students were strongly in agreement that the module enhanced a number of skills critical to strategic management. These skills are part of the learning outcomes of the module and underpin the three competencies of effective problem solving, entrepreneurship and leadership.

The items in Table 1 reflect knowledge (K), skills (S) and attitudes (A) acquired by the students. These KSAs are a reflection of Stage 1 (Student Needs) and are the conduit that links between Stage 2 (Competencies) and Stage 3 (Learning Objectives). A mapping was performed to link the three stages together and is illustrated in Figure 2. As an example, the competency of Effective Problem Solving (Stage 2 - Competencies) is dependent on Critical Thinking (Stage 1 – Student Needs), which in turn is met by one of the module’s learning outcomes (i.e. Learning
Objectives) of demonstrating effective application of strategic management principles.

<table>
<thead>
<tr>
<th>Stage 2</th>
<th>Stage 1</th>
<th>Stage 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Management</td>
<td>Knowledge/ Skill/ Attitudes</td>
<td>Module Learning Outcomes</td>
</tr>
<tr>
<td>(Behavioural) Competencies</td>
<td>(i.e. Student Needs)</td>
<td>(i.e. Learning Objectives)</td>
</tr>
</tbody>
</table>

Figure 2: A framework for mapping desired behavioural competencies, knowledge, skills and attitudes acquired, and module learning outcomes

An additional observation from Table 1 relates to the levels of engagement and interest in the module, associated with the simulation: attitude responses L and M generated even higher scores than for perceived skill acquisition. This positive coefficient bodes well for the use of SBT in engaging students.

6 Conclusions and Implications

The findings presented in this paper demonstrate a close alignment with the expectations of a prescriptive seven-stage model developed by Salas et al. (2009), when applied to the case study module and its adopted blended (teaching and) learning strategy of balancing didactic and SBT approaches.

In drawing conclusions we note that “Educational Competencies” may be a misnomer and the label “Professional/ Field Competencies” is perhaps more appropriate. We also note that the assessment criteria only involved Knowledge (e.g. application of theory) and Skill (e.g. written/ communication). Hence, some of the related Learning Outcomes were measured within the rubric, which outlined a continuum of poor, threshold and superior performance. Competencies were not assessed directly as they are latent i.e. it was assumed that the written work reflected the development and application of the problem solving, leadership and entrepreneurial competencies. The main critique here is that competencies are inherently difficult to measure. Salas et al. (2009) mention that a range of assessment techniques should be employed, as was done in the blended learning module delivery studied here i.e. portfolio, business plan, minutes, financial and non-financial KPIs, and reflective essay.

This noted, we find that the obtained and presented data support claims for the expected outcomes of the prescriptive seven-stage model, when that model is implemented as prescribed. The survey data support this position by indicating that the computer-based simulation undertaken, and therefore the model, has positively shaped the students’ strategic management behavioural competencies.

The findings from this study contribute to the academic debate surrounding the use and efficacy of SBT within business and management education. It is found that the Salas et al. (2009) model is relatively robust in terms of the case study module examined in this paper i.e. the use of SBT in this particular context has shaped students’ competencies in a positive manner. The authors propose that this is primarily because each of the seven stages of the model was addressed effectively by the tutor team, during the strategic management module’s delivery. These findings
should prove valuable for academics and practitioners with an interest in the use of simulations, either as a blended learning dimension or as a stand-alone management education activity.

An interesting outcome of the 3 year study was the recognition of student self-perceptions of the development of ‘soft skill’ or ‘employability’ outcomes. Further study will be required to gain insightful data on this area.
References


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