Chapter 6.4
Modifying Popular Board Games to Illustrate Complex Strategic Concepts: A Comparison with a Professional Computer Simulation

Scott Gallagher
James Madison University, USA

David Cavazos
James Madison University, USA

Steven Harper
James Madison University, USA

ABSTRACT

Simulations can be powerful tools in helping students learn about strategic management. This chapter discusses the value of simulations in helping to illustrate the importance of contingency, the impossibility of a perfect strategy, planning ahead, and aligning internal resources to external environments in strategic management classes. The authors also discuss the benefits that simulations can offer in going beyond the book and class, being interesting, and the importance of instrumentality in facilitating student learning. This chapter then compares self-reported student learning results for each of these variables for two simulations, a professionally packaged simulation and a “home-brewed” one based on a popular board game. The authors expected the professional simulation to do better on every variable except instrumentality. Surprisingly, the “home-brewed” simulation scored better on most of the dimensions. Therefore, they conclude by encouraging management educators to aggressively explore their instincts for simulation learning opportunities.

INTRODUCTION

Strategic Management (also referred to as Business Policy) courses have typically been used as capstone or integrative reviews in business school curriculum (Kesner, 2001). At the core of strategic management courses is the question of why some firms outperform others (Barney,
Because of their unique place in business schools, strategic management courses have relied on a number of pedagogical tools aimed at integrating, synthesizing, and applying learning objectives. Such tools include case teaching, experiential exercises, field projects, and computer simulations (Kesner, 2001).

One of the biggest challenges of teaching strategic management is conveying to students the difficult nature of firm strategy given the level of uncertainty that surrounds decision-making. Most strategic frameworks such as VRIO, Porter’s Five Forces, and Generic Business Level Strategies are not tremendously complex (Porter, 1980; Barney, 1991). The main approach to illustrate these challenges is frequently case discussions. Cases tend to be written as stories with protagonists and antagonists (Liang & Wang, 2004) and as a result case interpretations tend to be biased (Denzin, 1989). For instance, when cases are used whose outcomes are well known, e.g. Enron, it is not uncommon to have students initially dismiss business decisions that have a poor outcome as simply being “bad” or “wrong.” As a result, the use of simulations has emerged as a common pedagogical approach to help students understand and appreciate some of the nuances of business strategy. This also can encourage students to achieve higher levels of thinking (Bloom, Hastings, & Medaus, 1971).

Simulations allow difficult concepts like contingency to be vividly illustrated and the challenges of thinking ahead to be applied. Not surprisingly, many have moved to using computer simulations in an effort to enhance student learning (Faria & Wellington, 2004). However, recent changes to a leading strategy computer simulation that constrained students from adding new capacity at their own discretion concerned some of us and motivated a search for alternatives. Two of the authors utilized an alternative computer simulation, Glo-Bus™, while the third customized the venerable Monopoly™ board game to tie it more closely to strategy concepts (Thompson, Stappenbeck, & Reidenbach, 2008). The aim of this study is to examine the merits of each as alternative teaching tools.

We briefly discuss the benefit using simulations in teaching strategic management. This discussion includes brief descriptions of Glo-Bus™ as well as the modified Monopoly™ (hereafter, 487opoly) simulations that we used. We then briefly discuss some key learning aims and our expectations for the relative advantages of the two simulations. Finally, we examine the assessment results from students who participated in both simulations.

BACKGROUND

Simulations

At their core, most strategy classes center on training students to apply frameworks, e.g. Porter’s Five Forces, to challenging managerial decisions. At the very least, a good simulation should replicate the environment, e.g. negotiations, uncertainty, and environmental variability, in which strategic decisions are made. A number of scholars have illustrated various uses for simulations in the business classroom. Stephen, Parente, and Brown (2002), for example, discuss the ability of simulations to facilitate student’s acquisition of an integrative perspective. The hands-on nature of simulations and their ability to engage students in course content are additionally cited as benefits of simulations as teaching tools (Burke & More, 2003). Moreover, Zantow, Knowlton and Sharp (2005) illustrate how can be conducive to generative learning.

It is clear that simulations offer many advantages. In our case we were primarily interested in four areas whose difficulty is hard to convey in a classroom context: contingency, no perfect strategy, planning ahead, and aligning internal resources with the external environment. Contingency simply refers to the fact that the success of any one strategy is contingent on what others