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Strategic management: an evaluation of the use of three learning methods

Strategic
management

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Abstract *The article examines the use of three learning methods in the teaching of strategic management; the case method, simulation and action learning, in the form of a consultancy project. A survey of course members' perceptions of learning outcomes indicates that simulation is the most effective method. Conclusions are provided for the design of strategic management programmes and the development of action learning projects.*

Introduction

The concepts and techniques of strategic management are a key component of many MBA programmes, focusing upon issues of value creation, competitive behaviour and corporate development. Courses in strategic management often employ a variety of learning methods. Eldredge and Galloway (1983) find that strategic management courses typically make use of a number of methods based upon text, case, management games, field projects and guest speakers. Similarly Jennings' (1996) survey of strategic management courses in the UK found the majority of those courses to be using a combination of methods; lectures with discussion, case studies, guest speakers, tutorials based on current issues, business games, company-based research projects and consultancy projects.

There can be a number of reasons for using multiple learning methods. Various methods may complement each other to promote the development of a wider range of skills (Teach and Govahi, 1993). Multiple learning methods can also be included in an education programme in order to introduce variety to the overall teaching programme.

The use of multiple methods in a programme invites questions concerning their relative effectiveness in achieving learning outcomes and whether the methods complement each other in the skills which they develop. This article compares three learning methods used on a postgraduate masters course in strategic management:

- (1) the case method;
- (2) the development of a proposal and plan for a hypothetical new business (a simulation); and
- (3) a workplace-based project involving principles of action learning (a consultancy project).



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The intention of the strategic management course, and of the overall masters programme, was to promote the development of the students to become management practitioners. This aim was reflected in the learning methods that were employed by the course and their potential to address a range of cognitive, behavioural and attitudinal learning outcomes, many of which concern working with others, while undertaking strategy-based assignments.

The case method

The strategic management course made use of a number of case studies, including several short cases of less than a thousand words. Cases were generally used as part of a class to develop understanding of situations, concepts and techniques. The class session typically included a brief period of small group discussion before discussion by the whole class. The course also included several decision orientated case sessions in which students were asked to diagnose problems and propose options and recommendations. These exercises were group-based and included presentations.

The use of the case method in management education was pioneered in 1910 by Harvard's newly formed school of business administration. Since then the use of case studies has assumed a major role in the teaching of strategic management (Alexander *et al.*, 1986).

The term "case method" has come to refer to a wide range of teaching styles and objectives that can be adopted within the use of case studies for teaching (Dooley and Skinner, 1977). It has been proposed that the case method can be used to:

- gain illustration of particular points, issues or managerial principles;
- provide managers with a neutral situation in which they are free to explore problems (because they are not their own);
- relate theory to practice;
- confront the complexities of specific situations;
- develop analysis and synthesis;
- develop self-analysis, attitudes, confidence, responsibility;
- develop interpersonal skills, communication and listening; and
- develop judgement and wisdom and enliven teaching.

The method may gain the student's intellectual and emotional involvement and assist the long-term retention of understanding and bring realism into instructional settings (Romm and Mahler, 1991; Osigweh, 1989; Smith, 1987; Christensen and Hansen, 1987; Dooley and Skinner, 1977).

The case method is not without its limitations. Cases may be limited in the extent to which they present the realities of an organization. Yin (1989) comments that a case need not reflect a complete or accurate rendition of actual events; its purpose is to establish a framework for discussion among students. Similarly Towl (1969) describing case writing at Harvard Business School

emphasises the need for a “plot structure” and not to be simply a “photographic slice of life”, in order to develop sufficient interest for students to “take at face value the situation which the case presents, forgetting that it is artificial”.

The situation presented by the case method has been the subject of criticism. Mintzberg (1990) proposes that the case method may be counter-productive in teaching strategic management, providing a misleading simplification of the realities of the strategy process, in which managers wait in their offices “waiting for pithy reports instead of getting outside where the real information for strategy making usually has to be dug out”. Argyris’s (1980) study of case teaching sessions during an executive programme concluded that the intended joint exploration of open situations, where there were no answers, became structured to converge on the lecturer’s own analysis and recommendations.

Simulation of a new business venture

Although simulation remains less popular than the use of cases in strategic management instruction, Faria’s (1998) survey of US business school education reported that simulation usage had increased to the extent that 97.5 per cent of AACSB (American Assembly of Collegiate Schools of Business) made some use of simulations.

A simulation models some aspects of reality in a safe and time-compressed setting (Hequet, 1995) with the simulation aimed at capturing elements of the real situation that are important to the training objectives (Read and Kleiner, 1996). The learning opportunities available through simulation can be summarized (Gilgeous and D’Cruz, 1996; Solomon, 1993). Simulation allows experience to be gained in handling new situations while avoiding unacceptable risk; simulation stimulates discussion of complicated topics, promotes decision making, heightens self-awareness and the examination of own behaviour, particularly in relation to the work group. However, the tasks and decision-making environment presented by the simulation may not duplicate those of real-world management situations (Wolfe, 1976).

The strategy programme employed simulation in the form of an activity simulation, a structured experience based on a practical task (Elgood, 1989). Students formed project groups, identified, researched and planned a new business initiative. The scope of the task included identifying a business opportunity, researching markets, defining the product/service offering and a competitive strategy, defining the resources, systems and organisation required, developing a projected balance sheet and profit and loss statement, together with an identification of principal risks and contingencies.

The simulation of enterprise creation provides a learning situation that promises to address many of the central concerns of strategic management, combining innovation in the creation of value with business research, analysis and planning. In addition the use of simulation may be prompted by instructors attempting to authenticate the learning situation by importing realism (resemblance to real life) into the classroom (Gunz, 1995).

The simulation required a great deal of time to be spent in gaining information from secondary and primary sources including potential suppliers and customers. The exercise took place over a three month period and resulted in the submission of a business plan and presentation to a panel that included the representative of a bank experienced in business lending. The formally taught parts of the strategy course were developed in parallel with the simulation. In terms of teaching resources the business venture simulation was the least expensive of the learning methods to operate, only requiring the operation of briefing and feedback sessions.

Action learning: a consultancy project

The consultancy project represents a move from the classroom setting and hypothetical situations to engage course members in problem situations within an organization. A number of companies participated in the programme by allowing students to act in a consultancy role by developing a proposal for a product or process innovation of strategic importance to the company, with the proposal to include a consideration of the innovations implementation. The assignment took the form of a group-based project taking place over a six month period, a duration that may not be uncommon for this form of higher education activity (Lamond, 1995).

The management consultancy project is an example of action learning, originated by Revans as a result of his experience of working within the UK coal mining industry. Within an action learning approach learners work in teams to solve real problems in the workplace, with learning arising through problem solving and interaction with other members of the group (Lamond, 1995). Individuals learn from experience through reflection and action.

Although a number of alternative action learning perspectives have developed (Marsick and O'Neil, 1999), the method has three main components:

- (1) people who accept responsibility for taking action on a particular task or issue;
- (2) problems, or the tasks which are acted on; and
- (3) a set of colleagues who support and challenge each other to make progress on problems and to learn reflectively (Marsick and O'Neil, 1999; Pedler, 1997).

The projects have to be:

... real and alive ... not manufactured simply for the set ... action learning is for enabling people to undertake action to further real issues or resolve real problems (McGill and Beaty, 1996).

Revans (1997) insists that the complexities and anxieties of taking action, that lie beyond the stage of report writing, are an essential part of action learning. In this respect the consultancy project may not entirely follow the philosophy of action learning.

A wide range of learning outcomes have been suggested as arising from an action learning approach; they include the following:

- increased awareness of self, others and organizational beliefs and the political and cultural dimensions of change;
- development of insight into the application or misapplication of concepts and theories to actions;
- promotion of critical reflection concerning the individual's assumptions and beliefs that shape practice; and
- improved interpersonal skills and increased capacity to learn from experience (Marsick and O'Neil, 1997; Raelin, 1997; Weinstein, 1997).

For a higher education provider the use of consultancy projects presents a number of challenges. Establishing the partner relationships for consultancy projects is a time-consuming process. Projects may present a tension between meeting client needs and providing a valuable learning experience for the students involved. Students may lapse into accepting workplace practice at the expense of developing critical thinking, leading to the development of "quick-fix" solutions. High expectations and the critical examination of students' work may make the process a stressful and at times painful experience; students may seek to avoid and minimize the effect of the learning situation by completing the project as directly as possible as opposed to more exploratory use of the situation (Lamond, 1995). In addition, avoidance of the risk of projects failing to progress and meet the expectations of partner organizations requires monitoring, and at times intervention, by academic staff.

Comparing learning methods: a survey

Although the three methods indicate very different learning situations (e.g. classroom vs workplace, a few hours duration vs several months), the claimed learning outcomes frequently overlap; all three methods have been seen as promoting the development of interpersonal skills, insight into own behaviour, and the examination of theory vs practice. The possible duplication of proposed outcomes invites a comparison of the relative effectiveness of the three methods.

A questionnaire was administered to two cohorts of students (46 responses) attending the strategic management course as part of a masters degree in management at a UK business school. The respondents ranged in age from 22 to 35 years old and were most commonly recent graduates with one or a few years business experience.

Each questionnaire was administered before the course members had received evaluative feedback for the assignment associated with the learning method. The simulation was completed by the end of the first semester, the action research project by the end of the second semester, the case activity covered both semesters.

The questionnaire (items listed in the Appendix) was based upon Miles *et al.* (1986) skills acquisition questionnaire. The survey used 22 six-point rating scales, addressing a range of learning outcomes and issues relevant to the strategic management course. The questionnaire items can be grouped as follows:

- knowledge (gaining and integrating) – 1, 2;
- problem solving and decision making – 3-6;
- planning and implementation – 7- 8;
- working independently – 9;
- awareness of feelings and beliefs – 10-11;
- working with others – 12-16;
- changing own behaviour – 17-18;
- management (perspective, self as a manager) – 19-20;
- add realism to the course – 21; and
- clarify career interests – 22.

Table I presents the average scores for each of the three learning methods together with the results of a *t*-test. The scores are based upon a six-point scale where a score of 1 indicates that the learning method helped the development of that factor “very much” as against 6, “not at all”. Figure 1 provides a graph of the average score per item for the three learning methods.

A dominant method: simulation

The average scores show an ordering between the three learning methods with the simulation being rated as superior to the action learning project for all questionnaire items and equal or superior to the case method for all but two items.

The business simulation was rated as significantly superior (at a 5 per cent level of significance) to the action learning project for 13 of the 22 questionnaire items, the items referred to helping to:

- integrate learning from functional areas of a *business*;
- identify problems, seek and use information for problem solving;
- *plan* and implement;
- become more aware of the feelings and beliefs of others and more able to provide meaningful *feedback*;
- *experiment* with and *learn* new behavior;
- gain top management perspective and learn about self as a manager;
- add realism to the course; and
- clarify career interests.

Item	S	Mean C	CP	S/C	t-test S/CP	C/CP
1	2.17	2.66	2.85	0.137	0.088	0.660
2	1.93	2.81	3.55	0.010	0.000	0.072
3	2.27	2.37	3.18	0.740	0.003	0.014
4	2.20	2.51	3.29	0.332	0.003	0.025
5	2.24	2.70	2.85	0.104	0.063	0.656
6	2.58	2.48	3.11	0.722	0.089	0.070
7	2.24	2.88	3.48	0.033	0.000	0.076
8	2.35	2.92	3.29	0.069	0.006	0.304
9	2.37	2.77	2.96	0.233	0.103	0.631
10	2.35	2.48	2.88	0.719	0.124	0.167
11	1.92	2.25	2.92	0.242	0.003	0.046
12	1.96	2.74	3.00	0.006	0.002	0.454
13	2.71	3.07	3.03	0.313	0.351	0.904
14	2.96	3.25	3.03	0.436	0.860	0.554
15	2.46	2.55	2.59	0.768	0.695	0.903
16	2.44	2.44	2.66	0.989	0.537	0.493
17	2.22	2.96	3.33	0.019	0.001	0.303
18	2.17	2.92	3.11	0.027	0.005	0.626
19	2.79	2.66	3.96	0.698	0.001	0.001
20	2.20	2.55	3.07	0.292	0.022	0.168
21	1.73	1.85	2.40	0.580	0.001	0.023
22	2.92	3.48	3.85	0.145	0.023	0.404

Notes: The scores are based upon a six-point scale where a score of 1 indicates the learning method helped the development of that factor “very much” as against 6, “not at all”.
S = simulation of new business venture; C = case method; CP = consultancy project

Table I.
Survey results: average scores and *t*-test results

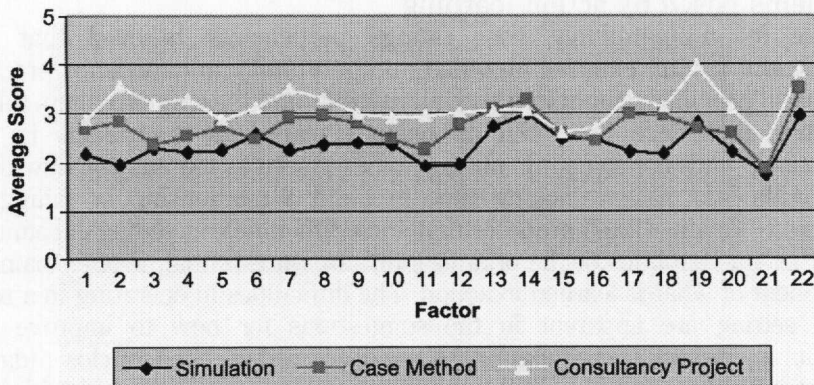


Figure 1.
Three learning methods

(Italics indicate items where the business simulation scores were also significantly superior to those for the case method.)

The questionnaires included a section in which respondents could describe the particular strengths of each learning method, weaknesses and how the method could be improved. The new business simulation was seen as

providing the opportunity to address what was perceived as the real world through a demanding situation that encompassed numerous aspects of business with the participants carrying out what they believed was a management role. The realistic aspects of the situation were however seen as being mitigated by the exercise concerning a hypothetical situation, lacking the implementation of planned actions as a test of their quality.

The simulation appears to enable the acquisition of a wide range of skills in a setting that, while hypothetical, is perceived by course participants to be significantly superior in adding realism to that achieved by locating students in established organizations.

The case method: learning outcomes

The case method also received ratings that were superior to those for the action learning project (for 20 of the items) with significant differences for items concerning helping course members to: identify problems, seek and use information for problem solving, become aware of the feelings and beliefs of others and gain top management perspective, while adding realism to the course.

The majority of participants recalled particular cases as providing insight into specific management situations; this mirrored the intention for including those cases in the programme. The majority believed that cases had provided real life examples and insight as a basis for illustrating or inviting the application of theoretical concepts. Issues for improvement focused upon the material provided by cases with a need for more background information and the ability to make comparisons between companies in the case situation and other companies.

Problems posed by action learning

Despite its comparatively poor ratings participants believed that the consultancy project exercise provided an opportunity to experience practice and that it provided insight into both an industry and the way managers think, but that experience was seen as being curtailed by limitations in the relationship with the company, managers being seen as too busy or unwilling to provide information, lacking time to build a relationship or failing to co-operate. Revans (1997) proposes that such difficulties, including encounters with the "micropolitics of the organization" are an essential, if often painful, component of what is learned in action. The difficulties in operating in a real-world setting are apparent in the suggestions for how to improve the consultancy project; overwhelmingly these concerned the need for closer (daily) contact with the managers in the company and a longer project duration to enable the development of information acquisition and creative ideas. The need to recognize the extensive time commitment of action learning is emphasised by Weinstein's (1997) survey of action learning participants, highlighting the need for sufficient time to build trust, complete the project, time for the lessons from action learning to form and become apparent, ideally by reiterating cycles of learning.

Simulation gives the student a central role in the management process, and the case method also provides that viewpoint; action learning may require but not provide it. Students engaging in action learning may experience a lack of control of the situation in comparison to the managing role implicit in other learning methods. The greater development of skills and insights associated with the simulation may reflect greater control in access to information, control of the learning situation and an ability to engage in development in a comparatively risk free environment. That environment can be recognized by course participants as artificial. While simulation and the case method may add the perception of realism to a course, participants also recognize that simulation is limited by not providing learning from real world implementation of decisions and the consequent results of those decisions.

Conclusions for programme design

The use of multiple learning methods is a common feature of strategic management education that may, through the possibility of providing complementary learning outcomes, appear to be an attractive aspect of course design, as may locating student learning in real life work situations. However the evidence of the comparative survey does not support either principle. Learning methods may not complement each other to develop a range of skills, one method offsetting weaknesses in another; a single method may predominate in perceived effectiveness. A particular learning method, in this study a simulation, may be associated with superior ratings across a wide range of learning outcomes.

The following conclusions can be made to aid the design of strategic management, and possibly other management, programmes:

- A single learning exercise can provide a wide range of skill development.
- The use of a series of learning methods may introduce a variety of learning situations but this may not result in course members perceiving a development in their attainment of skills (the simulation and use of the case method preceded the consultancy project).
- Successful learning experiences can be based upon a limited use of course resources; the simulation required only a briefing session, two interim feedback/monitoring sessions and presentation of plans.
- Case studies, available as a part of many strategic management texts, can provide the perception of having access to the realities of business and its management, lead to recall of specific situations and a wide range of skill development.
- Action learning projects can be time consuming to establish and monitor. They may require a more prolonged duration than anticipated to allow the development of understanding, proposed solutions and reflective learning. The methods implications for access to managers

and information can be underestimated, as may the need to maintain an emphasis upon reflection by students to increase the opportunities for learning and to avoid the emergence of a task focused approach. "Reflection on past actions makes the difference between having 20 years of experience and having one year of experience 20 times" (McGill and Beaty, 1996).

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Appendix. Questionnaire items

- (1) Acquire new knowledge about business and management.
- (2) Integrate learning from functional areas (accounting, finance, strategy, marketing, etc).
- (3) Increase ability to identify problems.
- (4) Add to understanding of how to seek and use information for problem solving.
- (5) Learn how to make decisions on the basis of incomplete information.
- (6) Increase ability to solve practical problems.
- (7) Increase competence for planning business operations.
- (8) Increase ability to implement your decisions.
- (9) Increase confidence in ability to work independently.
- (10) Become more aware of own feelings and beliefs.
- (11) Become more aware of the feelings and beliefs of others.
- (12) Add to ability to provide meaningful feedback to team members.
- (13) Motivate people who work with you.
- (14) Learn to help people resolve conflicts.
- (15) Increase ability to communicate clearly and effectively with peers.
- (16) Increase effectiveness as a participant in group problem solving.
- (17) Experiment with new behaviour.
- (18) Learn new behaviour.
- (19) Gain a top management perspective on the operation of an organization.
- (20) Learn something important about yourself as a manager.
- (21) The exercise added a lot of realism to the strategic management course.
- (22) Clarified your career interests.