The Value of Using
Management Games and Business Simulations

When was the last time you were excited by a training course delivered via PowerPoint presentation, or truly learned a new skill by reading a book or watching a demonstration (either live or online)? An alternative to traditional teaching methods is experiential learning, an experienced based model that enables participants to take risks in a realistic, safe environment. Scenarios can help show individuals and teams how they fit into the bigger picture and enables them to communicate, gain feedback and reflect on the outcomes.

Playing Games

History shows that games and simulations have been around for centuries and have been used across different cultures for social reasons and to teach. Early examples include:

- Senet – an early board game discovered in Egyptian burial sites dated between 3500 BCE and 3100 BCE.¹
- Terni Lapilli – considered by some to be an early version of Tic-Tac-Toe used in the Roman Empire.
- Knights practising their jousting skills using a Quintain (a target mounted on a post) before tournaments, which were themselves preparation for battle.

As children, we play games for fun. Without realising it, we also learn. We learn how to count, how to communicate and how to interact socially. In the UK, the importance of play within children’s education is acknowledged and included within the Early Years Foundation Stage (EYFS).² If learning through play is so effective for children, why are ‘games’ less often used in the field of adult learning?

1. Partly because early ‘play’ for children is natural and uncontrolled. Nobody tells a baby or young child what to do. It does things as part of exploring the world around it. The adult world demands that learning should be controlled and even as children progress their ‘play’ becomes more structured by adults.

2. Partly because pleasure is the dominant emotion in those activities we have decided to call ‘games’. It obscures the fact that learning is also taking place. An adult activity labelled a ‘game’ is likely to be thought of as ‘fun’ and ‘not serious’ and therefore of less value as a source of significant learning. It loses status.

At Elgood Effective Learning, we believe management games and business simulations offer an experienced based model that combines significant, directed learning with some of the joys of learning-by-discovery. We believe they increase understanding, retention and application. That belief is supported by research.
Management Games and Business Simulations

Why it works: Skill

Research by the National Training Laboratories suggests passive learning models like lectures drive only 5% retention, whilst experiential learning engages participants in ‘learning by doing’, driving at least 75% retention.

Why then, are the four learning methods at the top of the triangle so dominant? Why is experiential learning less favoured?

In many cases, training is done simply to demonstrate staff have been instructed on a piece of regulation or policy, rather than to ensure the messages have been absorbed and understood. The popular methods (lecture, reading, audio visual and demonstration) offer the person delivering the training more security. It is possible to prove by recorded evidence that a great deal of valuable learning has been offered. Words have been written or spoken or demonstrations made. They can be accessed by anybody who did not grasp the meaning first time round. The ultimate, extreme, example is visible in the ‘Terms and Conditions’ attached to a contract and accepted by ticking a box. People have been told. They have admitted it. Much has been achieved in a short time. By contrast, a management game or simulation takes more time and usually covers a narrower field.

Our expertise lies in identifying the lessons that justify the time demanded and presenting them through activity-based material. We devise material that creates deeper understanding, more retention and more motivation to act.

Experiential learning of this type is increasingly utilised to develop people and organisations. We are passionate about what we do, and the benefits offered.

Management games and business simulations can develop communication skills, creativity, as well as social and intellectual competence. They allow participants to take risks, practise new ideas and skills, show imagination and solve problems (individually or as part of a team). We value exploration and provide safe but challenging environments that support and extend learning and development.

In research carried out by John Kenworthy and Annie Wong 3 “the results show that using a simulation or game in a programme significantly increases participant enjoyment and perceived usefulness – suggesting that engagement in the learning activity is higher and that practice in using skills in a realistic (simulated) setting is fundamental in transferring the learning to the workplace.”

Our whitepaper ‘Experiential learning: Why learning by doing builds agile, supportive organisations’ looks at how learning by doing 4 can provide another way.
How it works: Case Studies

Games and simulations are effective across different industries, international borders, as well as applying to corporate and academic fields. We have experience of working with a wide variety of organisations. Here are just two examples of how we have improved performance for our clients.

Oracle

We worked with Oracle, the world’s largest enterprise software company, when they wanted to implement a complete training package for their sales managers across Europe, the Middle East and Africa (EMEA).

Peter MacNaughtan, from the Oracle project team said, “The power of being able to develop a simulation that reinforces a message of a particular training or development programme is shockingly powerful. I was amazed at the effect it had.”

University of Kent

Whilst working with the University of Kent, we added value by incorporating business simulations into the syllabuses of its post-graduate Finance, Investment and Risk MSc course and the undergraduate BSc in Actuarial Science. The university already had both courses in place, but wanted to add a new method for learning. Exposing students to the realities of running a business and challenging them to work effectively as a team, whilst under pressure, allows them to gain practical experience of decision-making and problem-solving.

The students provided fantastic feedback about the simulations that they took part in:

“Great first-hand experience of what is required to run a business, including appropriate delegation of tasks, managing time effectively, and working under pressure without making erratic decisions.

We learnt how to work more efficiently and make decisions as a team

To read any of our case studies in full, please visit our website.

Why is it sustainable?

Technology is constantly changing the landscape of the world and industries that we work in. There are an increasing number of electronic learning programmes (including mobile and social) that can be used to help communicate new information and to learn new skills. However, these are not necessarily as social or as interactive as experiential learning.
Management Games and Business Simulations

We believe management games and business simulations are still relevant and will continue to be going forward because:

- Management games stimulate discussion amongst participants. People are exposed to different ideas and can see beyond their own silo.
- There is an opportunity to reflect on the outcome. People have a chance to think about the consequences of their actions and come up with alternative approaches.
- Games can tap into different learning styles. Simply telling people how to do something isn’t going to work for everyone and doesn’t allow anyone to “give it a go.”
- Games and simulations are interactive, engaging and fun. They provide a social experience allowing individuals to create new memories.
- Rapid change makes it harder to identify an ‘accepted wisdom’ that can be taught with authority. In this climate there is a greater need for collaboration across an organisation. The exploratory setting of a game or simulation extends the boundaries of discussion.

Why Elgood?

Founded in 1972, Elgood Effective Learning offers a creative and collaborative service that provides unique solutions to target the business goals of its customers. Based in the South East and serving clients globally, Elgood Effective Learning specialises in designing, creating and delivering management games and business simulations to improve knowledge and enhance performance.

For more information on Elgood, please call +44 (0) 118 982 1115 or visit http://www.chris-elgood.com

You can also watch our 2-minute video to find out what we do: https://vimeo.com/226715405

References

2. https://www.gov.uk/early-years-foundation-stage
4. Experiential learning: Why learning by doing builds agile, supportive organisations