Business & IT Assessment Process

In the North Arkansas College Business & IT Division, we utilize three business simulations from CAPSIM: Foundations Business Simulation competition, Capstone Business Simulation competition, and Comp-XM Business Simulation exam for outcomes assessment. We have used CAPSIM for our Assurance of Learning Assessment since fall 2010.

Students learn best by doing. The business simulation experience provides the leading core of interactive, online simulations to facilitate learning across a broad spectrum of participants and perceptual view of how all business departments network together. Instruction is more efficient and effective when interactive competition creates an emotionally charged atmosphere. This emotional involvement is essential to motivate inquiry, to retain information, and to develop strategic thinking skills. The following three courses have integrated business simulations.

Introduction to Business Course - The Business and IT Division offers an Introduction to Business course, which all business students are required to take prior to starting the core business curriculum. Throughout the semester, these students complete the Foundations Business Simulation that allows each student to run a forty million dollar business for four rounds/years. The Foundation business simulation is an excellent way to help introduce students to business concepts. At the end of the course, all beginning business students take the Comp-XM Business Simulation exam as a pre-test.

Economics Courses – The Business and IT Division offers a Microeconomics course and Macroeconomics course. The Microeconomics course allows students to complete the Foundation Business Simulation with an annual steady growth economy for eight rounds/years. The Macroeconomics course allows students to complete the Foundation Business Simulation with an annual recession fluctuating economy for eight rounds/years. The Foundation Business Simulation provides Assurance of Learning for each student with percentile ranking analysis assessment that ranks our economic students nationally and internationally.

Capstone Business Course - All graduating business students must take the Capstone Business course. Throughout the semester, the students complete the Capstone Business Simulation that allows each student to run a hundred million dollar business for eight rounds/years. At the end of their graduating semester, they take the same Comp-XM Business Simulation exam post-test that all students took as a freshman which allows us to assess our students internally and externally. The Comp-XM Business Simulation exam is a great way to test the students’ knowledge as they graduate. In addition to the Comp-XM assessment, the Capstone Business Simulation provides Assurance of Learning for each student with percentile ranking analysis assessment that ranks our Capstone students nationally and internationally.

By using simulation assessment methods, we’re able to benchmark our students’ performance against other students from our own institution as well as students from other schools, nationally and internationally. Even more specifically, by having beginning students and two-year students complete Comp-XM assessment, we can see how our students compare to those at other institutions when they first come to campus and again when they complete their program of study. By having both groups of students complete the same Comp-XM Business Simulation exam, we can see the progression of our students throughout our programs.
**Classroom Introduction – Start with a Mindset**

When you introduce the business simulation to your students, you will hear the panic cry, “Oh my, I can’t do that!” They know how to take tests and get A’s, but they don’t know how to do this – YET. They forget the – YET. That is when I quickly remind the students, “Isn’t that what school is for, to teach the – YET.” Next, I do my growth mindset presentation defining success as putting your best effort into learning and improving. I tell students that their thinking skills are developed through practice and learning from mistakes and they should not have a fixed mindset that does not admit or learn from mistakes.

**Learning by Doing - FACT**

Business simulations are considered to be a disruptive innovation by many business instructors. It is a radical change in the way that business content is normally taught in the traditional classroom. To remain competitive we must be innovative to meet the demands of today’s technology student. Simulation learning is an inquiry-based learning approach to education. It basically says, "Tell me and I forget, show me and I remember, involve me and I understand." The last part of this statement is the essence of inquiry-based learning. Inquiry implies involvement that leads to understanding. Simulation basically means learning by doing. But mistakes during simulations result in valuable learning experiences. While business mistakes rarely cost lives, they can cost livelihoods – a job or career.

There has always been a great deal of lip service given to the idea of learning by doing, but not much has been done about it. In fact, John Dewey, “The Father of American Education,” remarked in 1916, in his book, *Democracy and Education*:

"Why is it that, in spite of the fact that teaching by pouring in, learning by passive absorption, are universally condemned, that they are still so entrenched in practice? That education is not an affair of "telling" and being told, but an active constructive process, is a principle almost as generally violated in practice as conceded in theory. Is not this deplorable situation due to the fact that the doctrine is itself merely told? But its enactment in practice requires that the school environment be equipped with agencies for doing ... to an extent rarely attained."

There are two important reasons why learning by doing isn't our normal form of education. First, it is quite difficult to implement without "doing devices." How can we teach history by doing? What does it mean to teach literature by doing? In many cases, it is difficult to define what doing might mean with respect to a given subject and to attempt to implement a realistic sense of doing in a classroom setting. When there are "doing devices" available, it is easier to implement learning by doing. Driving can easily be taught in a learning-by-doing manner, for example, because students can reasonably be placed behind the wheel of a car. This can be done because cars are relatively inexpensive and relatively safe. When this is not the case, when the necessary equipment is too expensive or unsafe, or where there is no equipment at all, learning by doing is usually abandoned as a teaching philosophy. There is, of course, another reason why learning by doing isn't the primary teaching model in the schools. Educators and psychologists have not really understood why learning by doing works, and thus are loathe to insist upon it. They can't say exactly what it is that learning by doing teaches. They suppose that it teaches real life skills, but what about facts, the darlings of the "drill-them-and-test-them" school of educational thought?
**Balanced Scorecard Approach**

All three business simulations used in the Business and IT Division use the strategic discipline based on the Balanced Scorecard for each student’s strategic goals for their simulated business. We rely heavily on Kaplan and Norton's balanced scorecard philosophy for assessing business annual performance and all simulation materials are organized to parallel the sequence of events found in the business planning process. The Balanced Scorecard is a comprehensive management control system that can enhance the introduction of and the development of a business plan for the simulated business. It allows each student to develop eight year goals for the simulated business and provides measurable strategic annual plans and budgets to reach those goals. This approach shows a step-by-step annual assessment of each student’s business goals and introduces the students to strategy and its impact on process and performance to align their company with its strategic goals. The balanced scorecard is a proven and effective tool for managing and improving performance of an organization.

The Balanced Scorecard approach emphasizes the role of managerial accounting information in making decisions about strategy, process, and performance. We find that this context adds realism that not only gives students a first-hand glimpse of what accounting professionals do in today’s marketplace, but actually stimulates student demand for managerial accounting information. This discipline tells the stakeholders of the organization that senior management has a disciplined approach to define strategies, track performance and provide data to show how well they are performing in terms of mission, values and outcomes. Each round or year of decisions is built around the "real world" business problems and information needed to operate a successful business.

A recent survey reported that more than 60% of the companies in the Fortune 500 use the Balanced Scorecard and not-for-profit organizations are the largest growth segment of companies beginning to adopt the approach. The Balanced Scorecard approach is the most popular approach of aligning organizational goals with performance for the following reasons: It is focused. It works. And it can be applied to a wide range of organizations. Stakeholders all look for measured planning and outcomes assessment of their goals and this is a metrics-based approach.

**SWOT Situational Analysis**

The three business simulations teach situational analysis each round/year of decisions to benchmark internally and externally for the student’s simulated business. SWOT situational analysis provides the student a comprehensive view of the strengths, weaknesses, opportunities, and threats facing their company.

The business simulations integrate the balanced scorecard with the SWOT situational analysis by using the economic indicators template. The template provides the students a careful assessment of strengths, weaknesses, opportunities, and threats that affect their simulated business performance.
Simulations versus Games

Simulations and games are not the same although the distinction is not always clearly understood. Simulations seek to reproduce parts of the real world so they can be experienced, manipulated, and learning can occur. Simulations can replicate difficult scenarios for many different careers: pilots, medical surgeons, nurses, truck drivers, athletes, accountants, managers, soldiers, and many other professions. Good games are fundamentally different from simulations. They may or may not resemble the real world of work but can sometimes be used to illustrate points in training. Their goal is provide fun, entertainment and engagement.

Why Simulation versus Standardized Testing

The most effective learning takes place when students are involved in their educational experience, according to the accrediting organizations. Simulation testing is dynamic, interactive, and transformational. Students learn by testing the success of their business decisions, over the course of several business cycles or rounds, in an emotionally-engaging competition. Their emotional involvement then anchors the learning. It goes beyond measuring simple recall of acquired knowledge that is typically captured by standardized exams in a static testing environment. Comp-XM provides a picture of how students use acquired knowledge to manage a business in a changing, competitive market, and whether they can adapt to the successes and failures in the early rounds of the simulation to effectively shape their company's future. It measures general and business-specific knowledge and skills, and most importantly, the overriding business acumen, which brings a business program's goals to life. It shows the integration of knowledge and skills across the functional areas of business.

This is a crucial distinction since the accrediting organization, ACBSP, recommends a school when developing program learning goals considers a range of complex cognitive skills, such as analysis, synthesis, and evaluation, which excel beyond simple knowledge recall. From the standpoint of statistical norming, another important distinction is that standardized assessment occurs outside normal classroom activities whereas Comp-XM is an active, course-embedded learning methodology, seamlessly assessing performance of students engaged by the simulation.