Ever wanted to test-drive an idea without risk before implementing it in your company? The exercise can tell you a lot—like how resistant your organization is to change, and how well your management team leads change. Most companies are surprised by what they learn.

In fact, a company’s ability to change is a make-or-break proposition in today’s competitive marketplace. Performance-improvement initiatives such as re-engineering, TQM, business-process redesign, and others require substantial organizational change because they reconstruct the power and influence of an organization, not only modifying how people work and communicate, but how performance is measured and rewarded. In the end, these initiatives can generate better performance from employees and allow a company to gain competitive advantage. Forcing and leading change is the most difficult challenge.

Recently developed technologies can be used to improve the efficiency and quality of management development, allowing senior managers to learn how they lead change and to alter their management skills accordingly.

Multimedia Simulations: The EIS Case

Business simulation software is one multimedia technology that allows the user to test the effectiveness of different management strategies or tactics in a risk-free environment, similar to flight simulators used by pilots. Working at computer terminals, users are immersed in realistic business situations that require specific decisions. The consequences of their decisions are then fed back on the computer screen. In a few hours, users have learned by doing in a controlled environment, without experiencing the risks of actual decision making. The user might test pricing, budget allocation, or scheduling decisions and know the consequences of those decisions immediately. No harm done if the decisions made were disastrous.

INSEAD’s Centre for Advanced Learning Technologies has developed one such multimedia business software, the Executive Information System simulation (EIS). Here’s how it works: Users (managers) are asked to introduce a communication innovation (known as the EIS) into a division of a fictitious company, EuroComm. Users have up to six months of simulated time to convince as many as possible of the 24 divisional managers to adopt the new EIS. This system would make information and communication flows within EuroComm more efficient but would require changing the status quo.

Through the multimedia components of sound and visuals (which make the experience more real), the program enables users to “discover” the company by helping them identify formal and informal communication networks; develop and implement change strategies; and influence EuroComm’s managers to change their attitudes. All of EuroComm’s 24 managers the users must “work with” have been programmed with backgrounds and personalities, and they each react differently to the initiatives proposed. For example, one manager might try to avoid meeting the user, another might need convincing, but has the potential to be a champion of the change process. To navigate through EuroComm, the user must first get to know the characters (who is who? who is likely to resist? who is having lunch with whom? who is most likely to be a gatekeeper?). Screens such as the one pictured in...
Figure 1 allows the user to access information about the company and to decide at any time to implement change management tactics. As every initiative requires a certain amount of time, the challenge is to use the right tactic at the right time with the right people to have the largest number of adopters after six months’ simulated time.

In real time, the simulation takes about three hours. After the simulation, participants can review the change-implementation process, share their successes and failures, and link their simulated experiences with actual change processes within their company, gaining insights into how to improve their effectiveness as change agents.

**LEARNING TO LEARN THROUGH GROUPWARE**

While managers need to learn the skills required to be effective leaders, the learning process itself (specifically, how organizations can identify, retain, and process learning) is now under scrutiny in many forward-thinking companies. Why? While companies may invest heavily in performance-improvement initiatives, the organization is not able to override the “master program” that guides employee behavior. There are ways to help managers internalize new modes of learning and communicating. Participants, for example, can be asked to write cases (using a specific format) describing an interaction they have had or may have with others. We are currently teaching such modules in an increasing number of executive programs in which we use a mix of lectures, discussions, and exercises to encourage participants to become more effective learners in order to become more effective leaders.

Multimedia allows users to test-drive a new idea through fictional layers of management. The result? You learn how to manage change.

This approach has many benefits, but is labor intensive and requires participants to express their reasoning and feelings verbally (and, therefore, in public) in real time, which can be limiting for some participants. We have thus started to improve the efficiency and effectiveness of our approach through the use of groupware.

Groupware is software that allows business teams to share information and cooperate efficiently. Groupware packages such as Lotus Notes support distributed teams, reduce cycle times, re-engineer business processes, and manage intellectual capital.

Over the last 18 months, we have developed a pilot version of a learning-to-learn platform for a large European telecommunications company. The system was developed in collaboration with Peter Rothstein of the Lotus Institute and is based on the Notes groupware platform. We chose this platform because it was flexible (easily integrating the multimedia components of sound and video), and because of its widespread use (2 million users in more than 6,000 companies worldwide).

A key feature of the learning-to-learn groupware is that a large group of managers is exposed to organizational concepts, which are put into practice by submitting cases (see Figure 2). Once submitted, cases can be analyzed and commented on by other managers, regardless of where they are physically located. Managers record both what was said and what they thought and felt. Every other manager connected to the learning network (operating from a desktop computer or a laptop from home) can read and comment. The managers thus become aware of what actually happened during the conversation and what made it dysfunctional or ineffective. They can analyze, for instance, the presence of “untested attributions” or “unillustrated evaluations” used in the conversation, and get deeper insights into the reasons for defensive attitudes and ineffective communication. Managers are encouraged to suggest how conversations could be recrafted to make them more effective.

First experiences with the learning-to-learn groupware suggest several benefits: The platform continually generates new cases, thus sustaining the interest of participants; the cases deal with real situations that occur in the company’s context, making it easier for users to relate to the situation; each user can submit his or her case which provides higher motivation as well as a forum for the user to analyze his or her own learning skills, and, therefore, learn how to learn.

Both multimedia business simulation and groupware give companies new tools to improve the competence of management. With multimedia, learning-by-doing experiences increase both motivation and retention, by allowing participants to test decisions in a risk-free environment. Groupware facilitates the exchange of knowledge, best practices, and skills in large “learning communities” of employees. The combination of these two technologies ultimately can lead to major changes in how companies effectively redesign and operate their management-development functions.

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