New Paradigm of Business Education: Bridging Theory and Practice Using the Simulation Approach

Mohammed Mustafa Ishak
Hassan Ali
Ahmad Jelani Shaari
Chandrakantan Subramaniam
Salniza Md. Salleh
Siti Zubaidah Othman
Kadzrina Abdul Kadir
Raudah Danila

Universiti Utara Malaysia
TOWARDS A DEVELOPING COUNTRY STATUS

- Population with certain competencies
- Knowledgeable society
- Vision 2020
- Globally competitive
- Highly skilled and semi-skilled Human Capital
THE NATIONAL HIGHER EDUCATION ACTION PLAN (2010-2015)

Graduate Employability

Transformation of IHL

National Higher Education Action Plan

act NOW
GRADUATE EMPLOYABILITY

Unable to Find Jobs

Graduate Employability

Job offered were not suitable

Lack of certain competencies
THE NEED TO BRIDGE THEORY & PRACTICE

• Various pedagogical methods developing competency skills
  – Simulation
  – Problem-based learning
  – Collaborative/cooperative learning
  – Projects-based learning
  – Case studies

• Emphasizes
  – students are independent in their learning;
  – teachers act as coaches; and
  – knowledge as a tool rather than a goal.

• Primary focus - students will gain a deep approach to learning process.
**BUSINESS SIMULATION IN EDUCATION**

- Experiential-based training method is based on the theory of "situated cognition" and problem-based learning.
- A realistic business environment which provides opportunities for students to develop competencies and skills as it represents the complexity of the real business.
A virtual company that functions like a real company.

Silhouette real process of business in a virtual environment.

The simulation exercise using Practice Enterprise consists of two main sections i.e. the Mother Company and the Satellite Company.
BUSINESS SIMULATION FRAMEWORK

(MyPEC) FRAMEWORK

CENTRAL OFFICE
- Commercial Bank
- Banking Clearing House (local payment)
- Post Office
- CCM (SSM)
- Insurance Company
- Tax Agency
- Accounting Software
- PE Management Database
- Custodian of Methodology & Curriculum
- Legal Services
- Buyer/Supplier of last resort
- Office Facilities

Panel of Experts
- or Mentor Companies

Activities are guided by training manual & software application

FACILITATOR

Activities are guided by training manual & software application

EVALUATION
- Self assessment
- Peer assessment
- Coach assessment
- Business Expert assessment
- Business Performance
AN INNOVATIVE TRAINING APPROACH WHICH IS CONVERTED TO A COMPETITION MODE.
OPPORTUNITY TO MANAGE BUSINESS THROUGH FUNDAMENTALS

“Experiential Learning” ↔ “Learning From Mistake”
Increasing the number of students with business experience;

Providing the graduates with skill based certification to value add the potentials for employability.
“Moving Beyond Business Plan”

- Business Plan
- Incorporate Company with ROC
- Raise Capital from Venture Capitalist
- Business Transaction
- Funding from Bankers
- Business Transaction
- Presentation to Board
COMPETING IHLs

BSC 1 (19)

BSC 2 (16)

BSC 3 (19)
PROGRAM IMPLEMENTATION

- RECEIVING BUSINESS PLANS
- REVIEWING THE BUSINESS PLANS AND SUPPORT SYSTEM
- MANAGING THE COMPETITION
THE CONTENT

1. THE ASSET DIPLOMAT TRAINING
2. COMPANY REGISTRATION
3. Business Transaction
4. Presentation to the Venture Capitalists
5. Presentation to the banker session
6. Presentation to the Board of Directors
## IMPACT

<table>
<thead>
<tr>
<th>NO</th>
<th>ELEMENT</th>
<th>IMPACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>BUSINESS PLAN</td>
<td>STUDENTS ARE MORE CONFIDENT AND ABLE TO PRODUCE A VIABLE BUSINESS PLAN WHILE UNDERSTANDING THE REQUIRED DETAILS WELL.</td>
</tr>
<tr>
<td>2.</td>
<td>START-UP</td>
<td>STUDENTS UNDERSTAND THE PROCEDURES AT THE START-UP STAGE WITHIN THE LOCAL CONTEXT.</td>
</tr>
<tr>
<td>3.</td>
<td>BUSINESS TRANSACTION</td>
<td>STUDENTS ARE MORE CONFIDENT AND WILLING TO TAKE DECISIONS WHILE ENHANCING THEIR SKILLS IN NEGOTIATION.</td>
</tr>
<tr>
<td>4.</td>
<td>SOFT SKILLS</td>
<td>SIGNIFICANT IMPROVEMENT IN SOFT SKILL DEVELOPMENT.</td>
</tr>
<tr>
<td>5.</td>
<td>ENTREPRENEURIAL SKILLS</td>
<td>INCREMENTAL IMPROVEMENT IN IDEA GENERATION AND INNOVATION LEVEL.</td>
</tr>
</tbody>
</table>
PILOT PROJECT EMBEDDING SIMULATION
IN TEACHING AND LEARNING
PARTICIPATING COURSES

Seminar in Marketing

Accounting Information System

Simulations in Teaching & Learning

Seminar in Human Resources

Strategic Management

* Approximately 140 Students
**IMPLEMENTATION**

Students Divided Into 5 Practice Enterprises

Division By Area Of Specialization

Guided By Respective Course Lecturers
EVALUATION

- INDIVIDUAL EVALUATION
- WORKSHEET
- OBSERVATION

- GROUP EVALUATION
- PORTFOLIO
- DEPARTMENT MEETINGS
- FINANCIAL REPORTS
- REPORTS TO THE BOARD OF DIRECTORS
THANK YOU