

# **Teaching Business Skills and Ethics through Airline Management Simulation**

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## **Abstract**

How should undergraduate students be prepared to succeed in their future roles as members of the global workforce? One challenge is to identify what exactly is required to be successful. The Employability Skills Framework lists the personal attributes and skills that contribute to employability from the perspective of SMEs and large enterprises, and various perspectives of leadership include those presented in Liu's (2010) interviews of leadership scholars and in Fairhurst's (2007) theory of discursive leadership. Another challenge is to provide students with the opportunities to develop the competencies that will enable them to succeed in the future. At Kanda University of International Studies (KUIS) in Chiba, Japan, students have access to a unique business internship program and a self-access learning center. This paper considers the effectiveness of a management course in KUIS (comprised of an airline management simulation and an online tutorial) in developing the personal attributes and skills (including leadership) that contribute to employability. The students' performances in the airline management simulation and their responses to a questionnaire were considered in the assessment of the course.

## **1. Introduction and Background**

Knight (2008: 208, 2009: 235) asks the following questions in regard to the development of undergraduate students at Kanda University of International Studies

(KUIS) in Chiba, Japan:

Given the rapid onset of globalization, the advancement of technology, and the necessity of a competent workforce for the well-being of a nation [...]:

- (1) What do students need in order to become successful members of the global workforce upon graduation?
- (2) How should students be prepared?

At KUIS, students are being prepared in a variety of ways for success in the future (e.g., academic coursework, career counseling, internships, and self-access learning). In particular, Knight (2008, 2009, 2010a) discusses how a year-long business internship/problem-based learning (PBL) program at KUIS (*titled Kevin's Company*) addresses the needs of students for workplace preparation, and Knight (2010b) proposes the introduction of English for specific purposes (ESP) modules in the KUIS self-access learning center (SALC) as an option for students seeking to acquire knowledge and skills for their future careers.

This paper also considers career preparation but in the context of a management course offered through the Career Education Center (CEC) of KUIS. In the management course, the students participate in a computerized, airline management simulation and complete an online tutorial about financial statements. One of the objectives of the study presented in this paper was to investigate the effectiveness of the management course as a means of workplace preparation for KUIS students. The students' performances in the airline management simulation and their responses in a questionnaire about the management course are discussed in view of this objective.

## 1.1 Employability Skills

In considering employability skills, Knight (2008: 209, 2009: 236 ) referred to the report of the U.S. Department of Labor, *What Work Requires of Schools: A SCANS Report for America 2000* that “identified the *fundamental skills and workplace competencies* needed by students to succeed in the ‘world of work’ and the ‘high performance work place.’”

In preparation for a research project titled *Employability Skills for the Future*, the Australian Council of Educational Research (ACER) conducted a literature review that included a comparison of the U.S. SCANS workplace know-how, Canada Employability Skills Profile, United Kingdom (NCVQ) core skills, and Australian Mayer Key Competencies. The research project, which was undertaken by the Australian Chamber of Commerce and Industry and the Business Council of Australia for the Department of Education, Science and Training (DEST), generated the Employability Skills Framework that was described as follows (DEST, 2002: 36):

The Employability Skills Framework...reflects the views of employers and has been developed through research with small and medium-sized as well as large enterprises. Size ranged from enterprises of two employees to those with over 1000 employees in Australia.

The Employability Skills Framework moves beyond competencies as it combines personal attributes and skills (Table 1).

**Table 1. Employability Skills Framework (DEST, 2002: 46-47)**

Personal attributes that contribute to overall employability	<ul style="list-style-type: none"> <li>● Loyalty</li> <li>● Commitment</li> <li>● Honesty and integrity</li> <li>● Enthusiasm</li> <li>● Reliability</li> <li>● Personal presentation</li> <li>● Commonsense</li> </ul>	<ul style="list-style-type: none"> <li>● Positive self-esteem</li> <li>● Sense of humor</li> <li>● Balanced attitude to work and home life</li> <li>● Ability to deal with pressure</li> <li>● Motivation</li> <li>● Adaptability</li> </ul>
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<b>Skill</b>	<b>Element – (facets of the skill that employers identified as important, noting that the mix and priority of these facets would vary from job to job)</b>
Communication that contributes to productive and harmonious relations between employees and customers	<ul style="list-style-type: none"> <li>● Listening and understanding</li> <li>● Speaking clearly and directly</li> <li>● Writing to the needs of the audience</li> <li>● Negotiating responsively</li> <li>● Reading independently</li> <li>● Empathizing</li> <li>● Using numeracy effectively</li> <li>● Understanding the needs of internal and external customers</li> <li>● Persuading effectively</li> <li>● Establishing and using networks</li> <li>● Being assertive</li> <li>● Sharing information</li> <li>● Speaking and writing in languages other than English</li> </ul>
Teamwork that contributes to productive working relationships and outcomes	<ul style="list-style-type: none"> <li>● Working with people of different ages, gender, race, religion or political persuasion</li> <li>● Working as an individual and as a member of a team</li> <li>● Knowing how to define a role as part of a team</li> <li>● Applying teamwork skills to a range of solutions, e.g. futures planning, crisis problem solving</li> <li>● Identifying the strengths of team members</li> <li>● Coaching, mentoring and giving feedback</li> </ul>

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<p>Problem solving that contributes to productive outcomes</p>	<ul style="list-style-type: none"> <li>● Developing creative, innovative solutions</li> <li>● Developing practical solutions</li> <li>● Showing independence and initiative in identifying problems and solving them</li> <li>● Solving problems in teams</li> <li>● Applying a range of strategies to problem solving</li> <li>● Using mathematics including budgeting and financial management to solve problems</li> <li>● Applying problem-solving strategies across a range of areas</li> <li>● Testing assumptions taking the context of data and circumstances into account</li> <li>● Resolving customer concerns in relation to complex issues</li> </ul>
<p>Initiative and enterprise that contribute to innovative outcomes</p>	<ul style="list-style-type: none"> <li>● Adapting to new situations</li> <li>● Developing a strategic, creative, long-term vision</li> <li>● Being creative</li> <li>● Identifying opportunities not obvious to others</li> <li>● Translating ideas into action</li> <li>● Generating a range of options</li> <li>● Initiating innovative solutions</li> </ul>
<p>Planning and organizing that contribute to long-term and short-term strategic planning</p>	<ul style="list-style-type: none"> <li>● Managing time and priorities – setting timelines, coordinating tasks for self and others</li> <li>● Being resourceful</li> <li>● Taking initiative and making decisions</li> <li>● Adapting resource allocations to cope with contingencies</li> <li>● Establishing clear project goals and deliverables</li> <li>● Allocating people and other resources to tasks</li> <li>● Planning the use of resources including time management</li> <li>● Participating in continuous improvement and planning processes</li> <li>● Developing a vision and a proactive plan to accompany it</li> <li>● Predicting – weighing up risk, evaluating alternatives and applying evaluation criteria</li> <li>● Collecting, analyzing and organizing information</li> <li>● Understanding basic business systems and their relationships</li> </ul>

<p>Self-management that contributes to employee satisfaction and growth</p>	<ul style="list-style-type: none"> <li>● Having a personal vision and goals</li> <li>● Evaluating and monitoring own performance</li> <li>● Having knowledge and confidence in own ideas and vision</li> <li>● Articulating own ideas and vision</li> <li>● Taking responsibility</li> </ul>
<p>Learning that contributes to ongoing improvement and expansion in employee and company operations and outcomes</p>	<ul style="list-style-type: none"> <li>● Managing own learning</li> <li>● Contributing to the learning community at the workplace</li> <li>● Using a range of mediums to learn – mentoring, peer support, networking, information technology (IT), courses</li> <li>● Applying learning to “technical” issues (e.g., learning about products) and “people issues” (e.g. interpersonal and cultural aspects of work)</li> <li>● Having enthusiasm for ongoing learning</li> <li>● Being willing to learn in any setting – on and off the job</li> <li>● Being open to new ideas and techniques</li> <li>● Being prepared to invest time and effort in learning new skills</li> <li>● Acknowledging the need to learn in order to accommodate change</li> </ul>
<p>Technology that contributes to effective execution of tasks</p>	<ul style="list-style-type: none"> <li>● Having a range of basic IT skills</li> <li>● Applying IT as a management tool</li> <li>● Using IT to organize data</li> <li>● Being willing to learn new IT skills</li> <li>● Having the occupational health and safety knowledge to apply technology</li> <li>● Having the appropriate physical capacity</li> </ul>

## 1.2 Leadership Development

In regard to leadership development, Knight (2010a: 249-250) considered the Leadership Competency Framework of the United States Office of Personnel Management (OPM) and the five Executive Core Qualifications (ECQs) in the framework: Leading Change, Leading People, Results Driven, Business Acumen, and Building Coalitions.

Liu (2010) interviewed “13 of the most influential scholars in the world of leadership today.” In defining leadership, he wrote that “leadership is about activity, not about position” and “leadership is about change, not about management” (Liu, 2010: 3-4). Liu also organized the themes that repeatedly arose in the interviews into eight disciplines of leadership (Table 2).

**Table 2. Liu’s Eight Disciplines of Leadership**

1	Connecting with People
2	Learning from Failure
3	Reflecting on Experience
4	Thinking Deeply
5	Storytelling
6	Being a Teacher
7	Knowing Yourself
8	Becoming Yourself

### 1.3 Discursive Leadership

In contrast to the traditional paradigms of leadership, the views of Fairhurst should also be considered. Berkelaar, et. al. (2009: 9) describe the discursive leadership theory of Fairhurst as follows:

Fairhurst’s (2007) discursive leadership theory offers a broad counterpoint to these traditional definitions and Discourses. Her theory seeks to engage the d/Discourses that underlie and intertwine with leadership theories and practice to examine the *process* of leadership, making communication and context primary. Discursive leadership theory concerns itself with how leadership “is achieved or ‘brought’ about in discourse” (Fairhurst, 2007, p. 5). Rather

than essentializing leadership, a discursive approach to leadership looks at how leaders employ publicly available cultural resources in *contextually* variable ways (Hammersley in Fairhurst, 2007, p. 10), including how they use talk-in-action (discourse) while appropriating various cultural ideas and assumptions (Discourses). From this perspective, leadership is a process of meaning-making and influence, an attribution by followers that is influenced by and shapes the particular context within which it is discussed and enacted.

In other words, as Fairhurst comments during an interview, “Leadership gets constructed in communication. That back and forth that takes place is all part of it... [Leadership] doesn't have to be the same thing today as yesterday” (Kennerly, 2007).

### **1.3 Airline Management Simulation and Financial Statement Tutorial**

Through the Career Education Center, KUIS students had the option to enroll in a management course in which they participated in an airline management simulation. The course was an elective with fourteen meetings of 90 minutes in length.

The materials in the course were intended for native speakers of English and included the following: (1) a manual required for participating in a computerized business simulation and (2) an online tutorial used to facilitate an understanding of financial statements.

#### ***Materials for Airline Management Simulation***

The manual used to participate in the airline management simulation was as follows:



Smith, J. & Golden, P. (2002). *Airline: A strategic management simulation (fourth edition)*. Upper Saddle River, New Jersey: Prentice Hall (Pearson Education).

In the scenario set forth in the manual, the students take over the management of a commuter airline that is described below (Smith & Golden, 2002: 1):

- Established as a “mom-and-pop” business to fill the void left by a larger regional airline that abandoned the area.
- Grew from a fledgling carrier that transported 2,700 passengers in its first year to a regional airline that is now carrying over 20,000 passengers per quarter.
- Has interline ticketing and baggage arrangements with all major carriers.
- Operating history...has been one of slow growth over a 16 year period.

In the simulation, the students are required to complete a decision form on a quarterly basis (i.e., three month period, simulation time). The 29 decisions on the form appear in Table 3. The quarterly decision form is two pages in length.

Among the 29 decisions that the students must make is decision no. 28, which requires the students to respond to an incident that has the potential to affect their airline positively or negatively, depending on the response. (See Table 3.) Several of the incidents require the students to consider “gray areas” in business ethics, such as whether or not to reveal a competitor’s safety problem to the press. The impacts of their responses are reflected in the quarterly reports of their respective airlines.

**Table 3. Decisions in Quarterly Decision Form and Quarterly Incidents**

	<b>Decisions</b>		<b>Incidents</b>
1	Fare	1	Naming Your Airline
2	Cabin Service	2	Press Release or Not?
3	Promotion Budget	3	Channels of Distribution – Dot Com?
4	Advertising Budget	4	Competitor’s Safety Problem
5	Number of Salespersons Hired (or Fired)	5	Diversification – Auto Rental
6-7	Employee Compensation Policy	6	Dual Designate
8	Quality Programs and Training	7	The Charter Trip
9	Maintenance Level	8	Hire Competitor’s Employees
10	Fuel Contract	9	Hiring Decision
11	Cargo Marketing Budget	10	Purchasing Policies
12	Corporate Social Performance Budget	11	Advertising Campaign
13	Stock Sold	12	Air Ambulance Service
14	Short-term Loan	13	Flight for Congressman
15	Long-term Loan	14	Kickback Problem
16	Dividends Declared	15	Diversification Planning
17	Ninety-two Day Certificate of Deposit Purchased		
18-23	Acquisition of Aircraft		
24-26	Aircraft Disposal		
27	Total Cost of Market Research Studies		
28	Incident Response		
29	Changes in Markets Served		

After the students have submitted their decision forms to the instructor, their decisions are entered into the computer, the simulation is run, and quarterly reports are generated for each airline. The information in the quarterly reports is displayed in Table 4.

**Table 4. Quarterly Reports**

Contents			
1	<i>Income Statement</i>		Total Employees
2	<i>Balance Sheet</i>		Employee Turnover
3	<i>Cash Flow Analysis</i>		Fuel: Spot Price This Qtr
4	<i>Other Data</i>		Fuel: Contract Price Next Qtr
	Economic Index for Qtr		Line of Credit
	Total Passengers		Short Term Interest Rate
	Miles Flown per day		Shares Stock Outstanding
	Maximum Mileage / day		Stock Price: Per Share
	Available Seat Miles		Earnings Per Share
	Revenue Passenger Miles	5	<i>Fleet Status Report</i>
	Passenger Load Factor	6	<i>Market Research Studies</i>
	Yield per Revenue Passenger Mile	7	<i>News Messages to Firm Including Incident Feedback</i>
	Cost per Available Seat Mile	8	<i>Industry News Messages</i>
	Quality Index (0-100)	9	<i>Industry Financial Ratios</i>
	Total Salespersons	10	<i>Daily Sales by Market</i>

In addition to the quarterly reports provided to the students, the simulation software generates the following materials for the instructor: (1) an industry report (which may be posted for students) and (2) an administrator's confidential report.

### ***Materials for Online Tutorial***

In order to enhance their understanding of financial statements, the students completed in class an online tutorial from Baruch College of the City University of New York (CUNY) (<http://www.baruch.cuny.edu/tutorials/statements/>). The online tutorial covered the three main financial statements (income statement, balance

sheet, and cash flow statement) through a case study based on a fictitious pizza restaurant. The outline was printed for the students so that they could refer to it while completing the tutorial and thereafter.

## 2. Objectives

The study had two primary objectives:

1. To provide insight into how well the management course (including materials) prepared KUIS undergraduates for future employment in the global workplace in view of the research on employability skills and leadership.
2. To provide insight into how to improve the management course for KUIS students.

## 3. Participants

The four participants (three females and one male) in the course were all third year students at KUIS (Table 5). The three students in the English Department had stronger English language skills than the student who was studying a foreign language other than English. The native language of all four of the students was Japanese. Two of the four students were able to name the type of job that they desired upon graduation, and the other two students were undecided.

**Table 5. Participants**

Company (Airline)	Gender	Year at KUIS	Department	Job Desired Upon Graduation
1	Female	3rd	International Language and Culture (ILC)	Undecided
2	Female	3rd	English	Undecided
3	Female	3rd	English	Customer Service
4	Male	3rd	English	Trading (Import-Export)

## **4. Methods**

The performances of the students (in the simulation) were based on the performances of their companies, and company performance was assessed in several ways including the following:

1. Stock price (quarter 0 vs. quarter 10)
2. Quality index (quarter 0 vs. quarter 10)
3. Sales (quarter 0 vs. quarter 10)
4. Profitability (calculated from quarter 0 to quarter 10)
5. Fleet size (quarter 0 vs. quarter 10)
6. Performance points (calculated by the computer software from quarter 0 to quarter 10)

At the end of the term, the students were asked to complete a questionnaire that was designed to clarify their motivation, comprehension of business content in the course, activities conducted during the course, and perception of the value of the course.

## **5. Results**

The results can be divided into the following categories:

1. Airline management simulation results
2. Questionnaire results

### **5.1 Airline Management Simulation Results**

In the simulation, the students submitted decisions for ten quarters (two and a half years, simulation time). The starting values for each of the companies and the quarter 10 results listed in the Administrator's Confidential Report are displayed in Table 6.

**Table 6. Airline Management Statistics in Quarter 0 and Quarter 10**

<b>Company:</b>	<b>1 to 4</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Quarter:</b>	<b>0</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Total Aircraft / Seats	3 / 57	3 / 57	3 / 57	3 / 57	3 / 57
End Cash (\$000s)	86	906	1124	949	975
Qtr. 0 Sales (\$000s)	1490	1505	1507	1508	1685
Cargo & Other (\$000s)	0	56	56	56	0
Profits to Date (\$000s)	Unknown	333	601	402	459
Performance Points	N/A	215	234	196	221
Stock Price (\$)	20.00	23.74	27.49	24.30	28.54
Qtr 0 Profits (\$000s)	24	38	71	43	88
Quality Index	68	60	77	68	94

## 5.2 Questionnaire Results

The results of the questionnaire are summarized in the ten questions-responses below (Table 7). Only the top responses of each company are displayed. In some cases, the students responded with check marks ( ✓ ) instead of ranking the items in numerical order.

**Table 7. Questionnaire Results**

<b>1. Why did you enroll in this class? Rank the following in order of importance.</b>				
<b>Company:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Business English skill	✓	2		3
Business knowledge	✓	1	✓	1
Preparation for job		4		2
<b>2. During the simulation, what was most important to you? Rank the following in order of importance.</b>				
<b>Company:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Net income		4	1	2
Cash		6	5	1

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Airline quality image	✓	2	2	5
Other (Please write): <i>To sell tickets as cheap as possible and see if people bought them or not even if the airplane service was not good.</i>		1		

<b>3. During the simulation, what were your goals? Rank the following in order of importance.</b>				
<b>Company:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Controlling costs	1	2	2	
Increasing sales		1	1	1

<b>4. When preparing to make your quarterly decisions, what information did you use? Please rank the top five in order of importance.</b>				
<b>Company:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Market research studies	✓	4	1	
Financial statements	✓	3	2	1
Data on seats and flights		1	3	3

<b>5. How useful was the online tutorial on financial statements in helping you to understand financial statements?</b>				
<b>Company:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Very useful		✓	✓	✓
Somewhat useful	✓			

<b>6. Success Expectations</b>				
<b>Company:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>How successful did you expect be at the beginning?</b>				
Very successful				✓
Somewhat successful	✓			
Not successful at all		✓	✓	
<b>How successful were you at the end?</b>				
Somewhat successful	✓	✓	✓	✓

<b>7. How important were the following for success in this simulation?</b>				
<b>Company:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Knowledge of numbers</b>				
Very important		✓	✓	

Somewhat important	✓			✓	
<b>Knowledge of financial statements</b>					
Very important		✓	✓		
Somewhat important	✓			✓	
<b>Business communication skills</b>					
Very important			✓		
Somewhat important	✓	✓			
Not very important				✓	
<b>8. How helpful was it to have a practice quarter at the beginning of the game?</b>					
	<b>Company:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Very helpful		✓	✓	✓	
Somewhat helpful					✓
<b>9. What are five things that you learned from the simulation?</b>					
<b>Company</b>	<b>I learned...</b>				
<b>1</b>	that studying something about business in English is difficult but not impossible.				
	that I should check the income statement carefully.				
	new business words.				
	that strategy is important.				
	that trying new things is so much FUN.				
<b>2</b>	some business English words.				
	how to check financial statements.				
	about stock.				
	what is important for employees.				
	about costs.				
<b>3</b>	about financial statements.				
	particular words used in business contexts.				
	about managing a company.				
	that predicting the future or the next quarter is important.				
	to check other companies' management activities.				
<b>4</b>	that making adjustments for the level of demand is important.				
	that changing markets is a good strategy.				



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	that we need to take more risk to get more money.
	that expanding business effectively is important.
	that not taking risk is boring.
<b>10. If you participated in the simulation again...?</b>	
<b>Company</b>	<b>What would you do the same?</b>
<b>1</b>	I would think about risk and stock price.
<b>2</b>	I would not use much money until I gained money. I would not enter the cargo business at the beginning of the simulation.
<b>3</b>	I would increase promotion budgets and advertising budgets gradually. I would maintain the planes in my fleet well.
<b>4</b>	I would improve the quality of service and try to increase cash.
	<b>What would you do differently?</b>
<b>1</b>	I would try to make more profit. I want to be a winner. I would think more positively about a new business.
<b>2</b>	I would increase the fare of the tickets from the start of the simulation.
<b>3</b>	I would not change the fare or service quality dramatically.
<b>4</b>	I would buy bigger airplanes and take more risk.

## 6. Discussion and Conclusions

In view of the results, how well did the management course prepare KUIS undergraduates for future employment in the global workplace, and how can the management course be improved for KUIS participants in the future?

### 6.1 Effectiveness of Management Course

From the following perspectives, the management course could be considered a success:

- **Business Performance** – The stock price of each of the companies was higher in quarter 10 than in quarter 0, and each of the companies had accumulated a significant amount of cash by the end of the simulation (although it can also be argued that this cash should have been used to decrease debt, purchase a CD, etc.).

- Questionnaire Results – The students indicated that they had been able to learn a significant amount about business (financial statements and strategic management) through the materials and activities and that their learning experience had been positive and inspiring.

On the other hand, the students did not seem interested in taking risks to increase the size of their fleets although they had the option to do so by leasing or purchasing seven different types of aircraft with different features (e.g., number of seats) and in different price ranges. Three companies (1, 2, and 3), however, did make the decision to enter the rental car business from which they were also earning revenue. In addition, two companies decided to become the commuter airlines of two different large national airlines (and had to change the names of their commuter airlines accordingly).

It is interesting that company 2 was most successful (in terms of performance points, end cash, and profits-to-date) as the strategy of this company was to attempt to sell tickets at the lowest price possible *without* increasing quality (according to a response in the questionnaire). Company 4 (which was the most risk-averse company according to a response in the questionnaire) had the highest stock price, the highest quality index, and highest quarter 10 sales and profit.

In view of the research on employability skills and leadership mentioned in the first part of this paper, the management course could also be considered a success as the course provided students with the opportunity to develop personal attributes, employability skills, and leadership competencies & disciplines (Table 8).

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**Table 8. Employability Skills developed by Management Course**

<b>Personal Attributes, Employability Skills, Leadership Competencies &amp; Disciplines</b>			
Personal attributes that contribute to overall employability	✓	Results driven	✓
Communication that contributes to productive and harmonious relations between employees and customers	✓	Business acumen	✓
Teamwork that contributes to productive working relationships and outcomes	✓	Building coalitions	
Problem solving that contributes to productive outcomes	✓	Connecting with people	✓
Initiative and enterprise that contribute to innovative outcomes	✓	Learning from failure	✓
Planning and organizing that contribute to long-term and short-term strategic planning	✓	Reflecting on experience	✓
Self-management that contributes to employee satisfaction and growth	✓	Thinking deeply	✓
Learning that contributes to ongoing improvement and expansion in employee and company operations and outcomes	✓	Storytelling	
Technology that contributes to effective execution of tasks	✓	Being a teacher	✓
Leading change	✓	Knowing yourself	✓
Leading people	✓	Becoming yourself	✓

The opportunities to interact as members of a team and as leaders were limited due to the lack of participants. In other words, the simulation required a minimum of four companies, which competed in 17 different markets. Therefore, each of the four students in the class was in charge of his or her own company and made executive decisions independently. From the perspective of developing teamwork and leadership skills, however, it would have been more beneficial for the students if they had been able to work in groups (of four members, for example).

In order to compensate for the small size of the class, the instructor required the students to share their business strategies and opinions with each other. In this way,

they had the opportunity to influence the decisions of others and to learn from the successes and mistakes of others. For example, after the quarter results had been passed out, the instructor would ask each student to explain the reason(s) for his or her company's success (or lack of success) during the quarter. One of the benefits of this approach was that it made the students more aware of the other companies/competitors in the market (and more aware of how they communicated with the heads of those companies).

In addition, there were opportunities for coaching and mentoring, especially in the beginning of the simulation, and students who were more quickly able to understand how to complete the decision form assisted those students who were having trouble. This was often done on a voluntary basis, although the instructor sometimes assigned specific students to help others.

## 6.2 Improvements

The management course could be improved in various ways. Table 9 indicates how certain improvements could provide students with opportunities to enhance their skills related to leadership, teamwork, communication, planning, research, and management.

**Table 9. Possible Improvements**

	<b>Improvement</b>	<b>Related Skills</b>
<b>1</b>	Increasing the number of students and having them participate in the simulation in teams	Leadership and teamwork
<b>2</b>	Requiring students to make PowerPoint presentations about company performance	Business communication
<b>3</b>	Requiring students to have a detailed business strategy before starting the simulation	Business knowledge and planning

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4	Requiring students to investigate and write/present a report about a real commuter airline or about airline alliances	Business research and communication
5	Introducing to students aspects of strategic management such as competitor analysis or the strategic management of intellectual property	Business knowledge and management
6	Requiring students to understand financial statements prior to participating in the simulation	Business knowledge and management
7	Screening students for English language proficiency	Business communication and teamwork

In this study, the responses to item 13 of the questionnaire (Table 7) also indicate that the “practice quarter” should be retained. Based on the feedback of previous classes and the learning curve involved in the simulation, it was considered beneficial for the students in this study to be given the opportunity to “try out” the simulation for one quarter. Before the simulation officially started, the students were able to submit decision forms for a “practice quarter” and to receive the results. After examining and discussing those results, the students submitted new decision forms for quarter 1 (which could contain the same or different decisions from those in the practice quarter), and with those new decision forms, the simulation officially began.

### 6.3 Framing

Framing has been an important aspect of two different business simulations at KUIS: (1) the business internship program, *Kevin’s Company* (Knight, 2008, 2009, 2010a), and (2) the airline management simulation. In the business internship program, the students are framed as business consultants, who have access to the highest levels of the client’s organization, and are encouraged to view the client (i.e., British Hills) as would the president and chairman of the board. In the airline management simulation, the students are framed as the owners of their airlines and responsible for

the success or failure of their own companies.

Knight (2010a) discusses the role of the instructor in using framing to create a business atmosphere in an academic setting. In the business internship program, which was conducted on campus at KUIS and at British Hills, the instructor could encourage students to take on the roles of business consultants by acting (and speaking) as the head of a consulting company. In comparison, in this study, the instructor often referred to the students via the names of their airlines, which encouraged the students to view themselves as the leaders of their companies.

Additionally, in “critical moments of interaction” in “crucial sites of engagement” (Holmes & Riddiford, 2010 citing Candlin, 2008) in the business internship and in the airline management simulation, the instructor employed framing to increase the success expectations of students. For example, in the business internship program, the students experienced a critical moment when their recommendations were criticized and/or rejected by the client. In the airline management simulation, the critical moments occurred with the decline in a company’s stock price. It was the instructor’s role in both cases to help the students to reframe the experiences positively as opportunities to learn and to improve. This type of framing gave hope to students and motivated them to stay in the program/course, keep trying, and overcome obstacles, which eventually led to success. Ribeiro’s (1996) concept of “expansion of self” and Good & Brophy’s (1995) advice for maintaining students’ “success expectations” are particularly relevant here.

#### **6.4 Future Research**

In the business simulations at KUIS mentioned in the previous section, leadership

is important. When leadership is viewed as being *constructed through communication* (Fairhurst, 2007; Berkelaar, et. al., 2009), it becomes possible to investigate *how leadership is constructed* through an examination of the beliefs, practices, and communication (i.e., the “back and forth”) of “leaders” and “followers,” and discourse analysis becomes a valuable tool in the research process. Moreover, in the classroom, there are many “groups” in which leadership is constructed (i.e., the class, the team, etc.). In view of preparing students for the global workplace, an interesting and important question is to what extent the construction of leadership in an academic environment is able to reflect (and prepare students for) the construction of leadership in the global business environment.

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