

RUNNING HEAD: SITUATED LEARNING AND THE EFFICACY OF ROLE PLAYING
IN A VIRTUAL COMMUNITY OF PRACTICE

Situated learning and the Efficacy of Role Playing
in a Virtual Community of Practice

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Abstract

Multi-user virtual environments (MUVEs) are a relatively low-cost distributed learning platform that can implement virtual reality techniques to synchronously immerse learners in a setting to gain knowledge, practice skills or collaborate to solve problems. The potential value of simulating real world experimentation to provide learners with engaging, meaningful experience that enhances skills warrants study to understand transfer within a naturalistic context. This is particularly relevant in the business community as MUVEs may provide a viable training alternative to engage learners and improve their ROI (Return on Investment) through growth revenue of new and existing business as a result of increased employee retention. At the insurance advisors (sales agent) level in the U.S., where the entry barriers are low but targets and work pressures are very high, employee retention rate at the end of 3 years is only 13 percent with the highest attrition rate in year 2 (Sampath). Supported by qualitative and quantitative data, the aim of this design based research project is to examine the effectiveness of MUVEs as an insurance sales training platform anchored in a virtual community of practice and the ability to transfer learning from a virtual context into a physical world setting, thus increasing employee success and retention. The design based research approach was selected essentially as a way “to carry out formative research to test and refine educational designs” (Collins, Joseph & Bielaczyc, 2004, p. 15). A series of interventions will be tested at specific intervals of CIB Group’s *New Producer Development Program* in the context of the virtual world, Second Life, and will include role play initiatives relative to product knowledge as well as communication skills – both critically linked to a successful sales training process (Rautalinko & Lisper; Squires, Torkel, Smither, & Ingate, 1991; Sogunor, 2004; Vermeulen, 2002).

Project Narrative

Rationale

Intense competition has increased pressure on organizations to deliver higher profit margins utilizing fewer resources. Organizations need to develop and deploy human resources that can articulate the vision of the organization and foster teams with the synergy to perform. As it is the human resource that builds and drives the knowledge assets of an organization, this value often exceeds the tangible, which is why it is critically important for organizations to focus on finding, developing, and retaining talented employees. According to Liakopoulos, “the U.S. insurance industry is at a crossroads, with an aging agent workforce (nearly 60 percent of agents are over the age 45, according to recent Deloitte figures) and a diminishing pipeline of younger replacements” (2010). As “Generation Y” (birth years 1982 – 1993) represents the future workforce for the insurance industry, their expectations conflict with traditional insurance practices and many view the insurance industry as unattractive and boring, with limited growth potential (Liakopoulos, 2010; Sampath 2007). Additionally, the lack of age and ethnic diversity in the insurance industry makes it increasingly difficult to attract a diverse workforce needed to expand into diverse customer segments (Liakopoulos, 2010).

At the insurance advisors (i.e. sales agent or producer) level in the U.S., where the entry barriers are low but targets and work pressures are very high, employee retention rate at the end of 3 years is only 13 percent with the highest attrition rate in year 2 (Sampath, 2007). Insurance sales is unlike selling other products as 1) no one wants to purchase but are often required to do so by a government entity, lender, landlord...therefore resentment towards insurance advisors may develop; 2) the best outcome following the purchase of insurance is to never suffer a loss

(i.e. use product); and 3) negative feelings for paying high premiums for an invisible product.

As insurance is a product with a negative attachment by consumers, it is critical for sales advisors to acquire skills, traits and knowledge to educate consumers on their exposure to risk and how insurance products can best mitigate financial impact.

Role playing can be an effective exercise for developing interpersonal skills, including “conflict management, negotiation, influencing, team building, active listening, giving and receiving feedback and communication” (Sogunor, p. 357). For purposes of this proposed project, role play is defined as a “learning activity in which participants act out a set of defined role behaviors” in which the scenarios could include “mimicking, demonstrative or illustrative of specific concepts, problems or situations” (Sogunor, 2004, p. 356). Strong authenticity in role play correlates with increased effectiveness and emotional involvement which can minimize the transfer gap between training and application (Johnson & Johnson 1997; Vermeulen, 2002). A challenge in teaching interpersonal skills is in creating an industry specific practice environment that not only supports learning outcomes but also replicates scenarios that typify “real life” situations.

Traditional in-class role plays tend to be mundane and angle away from real life complexities yielding an unrealistic and disengaging experience (Andrew, Mann, & Corsun, 2002; Sogunor, 2004; Squires, Torkel, Smither, & Ingate, 1991). Insurance sales training, including the CIB Group program, typically utilize role play activities but not within the context of a realistic sales environment. Common face to face role play activities involve only a few volunteer participants and doesn't allow for realistic experience – i.e. navigating the receptionist barrier; determining the decision maker, researching the prospect's organization, investigating needs, providing effective presentations/solutions and developing rapport by looking for

common ground. For example, an actual sales call allows the agent to visit the prospect's office and survey the room for items on display, such as pictures or awards. As people enjoy talking about their hobbies and past accomplishments, inquiring about artifacts contributes to rapport building that is critical for establishing trust. Immersing participants in a realistic environment is ideal as a training ground that enables learners to improvise and think on their feet as engaged problem solvers. MUVES offer students a hands-on experience that is more authentic and immersive than a barren classroom scenario can provide.

Establishment of credentials is as important as refining sales skills. A salesperson gains confidence by knowing and communicating about the products and services he/she provides. While the process of obtaining a broker's license permits you to sell insurance, it only provides an overview of insurance products and does not allow for the breadth of industry specific coverages. Typical of the CIB Group's program, the means of acquiring this knowledge is through the reading of an insurance contract; dry lecture class or asynchronous computer based training (read passage and answer the questions). This project proposes a problem based learning approach designed to position learners with the opportunity to identify ideas and skills needed to establish a working knowledge of industry specific coverages. Spence (2001) proposes that problem based learning provides participants with an opportunity to examine and experiment with preexisting knowledge; discover deficient areas; develop skills needed for improving performance in a team setting; improve abilities to propose and justify ideas and to become more flexible in their approach to problems. Learners will develop an understanding of insurance products through problem-based inquiry via claim scenarios/role play situated in an industry specific context and supported by a virtual community of practice. The notion of situated learning provides participants with a "cognitive apprenticeship [that] supports learning

in a domain by enabling students to acquire, develop and use cognitive tools in authentic domain activity” and “learning both outside and inside school, advances through collaborative social interaction and the social construction of knowledge.”(Brown, Collins, & Duguid, p. 39).

The distributed collaborative learning approach, supported by computer mediated communication, places emphasis on “interpersonal interaction with respect to learning and knowledge construction” (Berge & Fjuk, 2006, p. 15). Collaborative learning in a virtual world lends to creating a new trained and flexible workforce not necessarily tied to national, ethnic, racial, or age boundaries where we can study participant interactions through observations, transcripts, videos and interviews (Andrew, Straus and Corbin, 1990; Turner, 2010). Supported by the situated learning theory, communities of practice incorporate natural, informal learning processes that benefit from access to experts/mentors and opportunities to collaborate (Lave and Wenger, 1991). Wenger defined a community of practice as “groups of people who share a concern or a passion for something that they do and learn how to do it better as they interact regularly” along three dimensions (1998):

- What it is about – its joint enterprise as understood and continually renegotiated by its members
- How it functions - mutual engagement that bind members together into a social entity
- What capability it has produced – the shared repertoire of communal resources (routines, sensibilities, artifacts, vocabulary, styles, etc.) that members have developed over time.

In addition to the maintaining social relations, Communities of Practice also serve: "... to protect the organization from its own shortsightedness" (Brown & Duguid, 1991, p 43). For purposes of this project, the virtual community of practice is defined as a group of insurance professionals, gathered in a 3D environment, who jointly hold a socially constructed view of the meaning of the sales process and what it takes to be an expert in the field.

Objective

The potential of MUVES as learning environments are still relatively new and not popular within the property and casualty insurance profession. Situated in the physical or “real world”, traditional sales training typically occurs in a classroom setting without the benefit of artifacts or ability to be planted in an industry specific context. Problem based learning activities can provide instructional scaffolding that develops problem-solving skills, self-directed learning skills, and teamwork/collaboration in support of the following objectives:

- 1) To provide learners with evidence that they lack knowledge of tools required of an effective sales advisor.
- 2) To motivate learners to acquire the tools they need to improve their performance.

Through role playing, learners will interact with different personality styles and negotiate methods on how best to approach by interviewing and establishing trust instead of “pushing products.” Constructivist based, learners will develop strategies on building relationships; assessing needs and solutions, overcoming objections and closing skills. Through cultural engagement with the virtual community of practice, learners will eventually move from the periphery of a community to its center with the goal of eventually assuming the role of expert (Lave & Wenger, 1991).

Methodology

Setting

The immersive virtual environment of Second Life developed by Linden Lab will provide the platform for role play (Linden Research Inc., 1999). Second Life was selected due to the

inherent creative ability to build industry specific environments utilizing sound and animation for a more “situated” experience where participants can explore, socialize, and be involved in synchronous as well as asynchronous activities. Navigation tools facilitate movement and voice and chat capabilities allow for public and private communication. Participants will be able to design virtual representations (avatars) specific to their physical appearance, attire, gestures and names to provide a sense of ownership and connectivity with their chosen avatars. Interactive orientation to the environment will be provided to ensure accommodation and facilitate participation.

Participants

Students of CIB Group’s *New Producer Development Program* will volunteer to participate in this project due to the financial investment on behalf of employers. While this is a limitation, it is necessary as many companies would not allow for such evaluation and a “less than best evaluation is better than no evaluation at all” (Rautalinko & Lisper, 2004, p. 297). Prior to engagement, participants will be asked to share their impression of using Second Life in their coursework and their expectations as a platform for role play.

Interventions

A series of interventions at the one year mark will be tested at specific intervals of CIB Group’s *New Producer Development Program* in the context of the virtual world, Second Life, and will include role play initiatives relative to product knowledge as well as communication skills – both critically linked to a successful sales training process (Rautalinko & Lisper; Squires, Torkel, Smither, & Ingate, 1991; Sogunor, 2004; Vermeulen, 2002). The CIB Group experts/facilitators (i.e. community of practice) have an average experience of 20 years with

backgrounds in hard and soft market conditions, extensive experience in insurance sales training and have consulted and testified in hundreds of insurance lawsuits, including agency errors and omissions.

While many commercial insurance coverages are applicable across industry spectrums (i.e. property, general liability, auto insurance...), intervention 1 will focus on developing enterprise specific knowledge through “what if” scenarios (independent variables) and how insurance best responds to potential hot buttons (i.e. healthcare facility/medical malpractice exposure; educational institutions/educators’ legal liability; nonprofits/directors and officers exposure; manufacturing plant/product and design errors; retail operations/peak inventory and business interruption; municipalities/public officials coverage). Each user has his/her computer that displays the current state of the world (i.e. enterprise) with other users represented by avatars. Through a series of storylines, participants will role play industry specific claim-based scenarios and via engagement in the virtual community of practice, will discuss ways insurance products can respond. This intervention will determine product knowledge, ascertain how learners think and strategize ways insurance can respond to a situation and how best to communicate the need for insurance to potential buyers.

Intervention 2 will place learners into synchronous virtual “realistic” situations and afforded the opportunity to make mistakes without financial impact. Facilitators will introduce role playing exercises with appropriate artifacts and assess presentations along with self/peers. During this interactive insurance sales experience, participants will deliver an industry specific sales presentation necessary in developing confidence, proficiency and allowing for demonstration of specific selling skills (i.e. establishing need, handling objections, negotiation, closure...). Participants will learn how to ask prospects the right questions and listen to the

needs and goals expressed in their answers in an effort to offer solutions instead of just “selling products”. The CIB Group’s “coaches” can control sessions by aggravating or releasing the situation based on the learner’s performance and share own experiences in handling roadblocks as interpersonal relationships and personal impressions are determining factors in a successful sales process.

Implementation phase will consist of six combined interventions (1 & 2) and take place at the end of year one - i.e. “Phase 3” of the CIB Group program. It should be noted that interventions require significant instructional scaffolding to support the skills necessary to achieve a level of self-sufficiency - therefore, interventions will be evaluated and refined to meet ideal design goals and to reveal what works best (or not) in developing knowledge and skills under contextual conditions.

CIB GROUP/SELECTIVE INSURANCE NEW PRODUCER TRAINING PROGRAM*

Phase 1: Foundations Gains the knowledge and skills needed to start prospecting.	Phase 2: Prospecting Applies prospecting techniques & builds sales skills.	Phase 3: Validating Continuously improves skills and expands book.
Technical training	Cold Calling Blitz Campaign	Build book
License	Prospecting calls with coach	Receive coaching
Consultative sales training	Prospecting calls solo	Advanced Product Knowledge
Shadow experienced producers	Initiate professional designation studies	CIB Coaching as required In-House Sales Coaching
Prospecting Plan	CIB Development Coaching In-House Sales Coaching	Validate
CIB Development Coaching In-House Sales Coaching	Graduate from Program*	

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Fig. 1 – Overview of CIB Program

Approximate Phase Timelines

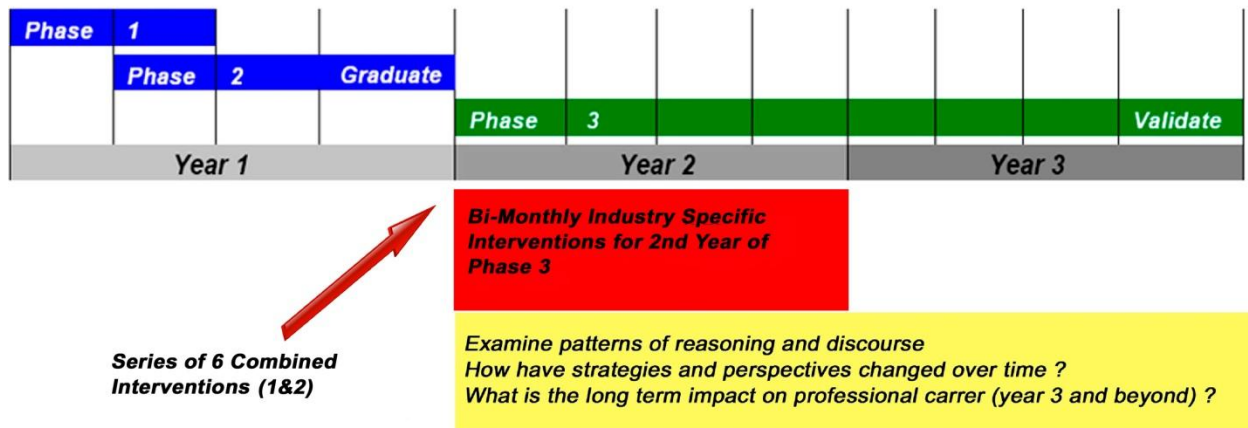


Fig. 2 - Interventions

Data Collection

Impact will be gauged by data analysis based upon pre–post learning gains by identifying what is known; introducing new concepts; practicing application of concepts and analyzing in a presentation context. Utilizing rubrics with central tenets relevant to sales interaction (i.e. subject knowledge, presentation style/attributes) for the community of practice and self as well as peer assessment, is an appropriate tool related to the problem based learning process (Barrows, 1986, Spence, 2001). Self-reflection through open-ended comments and self-regulation are also indicative of knowledge gain and can be captured by utilizing software (i.e. Camtasia) to acquire a very detailed picture of the interaction process would allow for structured analysis of the sequential flow of the discourse and note patterns, connections, similarities, or contrasts in unstructured data collection. Control–experimental group attitudinal differences; interview testimonials; surveys, participation rates; chat and classroom observations can also be used to contribute to data collection. Discourse analysis is an effective method to examine

transactions in business negotiation strategies as well as how cultural approaches may impact those strategies.

At the end of year 3, participant validation (i.e. income produced to sustain employment) of control and experimental group participants will be compared as well as books of business reflective of industry segments. This will aid in measuring the return on investment of not only the interventions but of the CIB Group training program. Those that have not reached validation are typically released from employment or choose to leave the industry. This is particularly relevant given the high turnover rate and financial investment in cultivating new sales talent.

Barriers

IS/IT departments can be an obstacle to development and participating in virtual environments, as downloading of a program is utilized and security can be an issue. Intellectual property can be viewed as a concern as well as incompatible networks, slow computers and traffic congestion during certain times of the day. Lack of understanding and navigating virtual environments also constitutes a learning curve. Critical issue of trust and social bonding to the functioning of such teams can also be an obstacle—albeit a Community of Practice in a virtual team may provide one mechanism for overcoming such barriers.

Likelihood of Funding

Engaging insurance sales advisors in the critical 2nd year phase substantially increases ROI and therefore is worth investigating. Utilizing technology to captivate generational talent not only serves as an educational tool but provides experience in an environment that has potential as a distribution channel for insurance products. Possible funding sources include, The

International Insurance Society – a research grant resource with a focus on global insurance issues. The use of virtual worlds as a context would be of interest – particularly in the area of microfinance. National Alliance Research Academy supports insurance and risk management industry-related and provides student grants for research. Insurance companies and brokerage houses are also sources of funding.

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