Experiential Learning Enters the Eighties, Volume 7, 1980

SUN AIRLINES: A HETEROGENEOUS CONSUMER DEMAND EXERCISE INCORPORATING A GROUP SELECTION TEST

David J. Fritzsche, Illinois State University

ABSTRACT

The Sun Airlines exercise was designed to acquaint the student with the problems a firm encounters trying to satisfy consumer demand when some segments of the market have conflicting needs. The exercise incorporates a unique selection technique which tends to assign participants to roles which match their beliefs. The exercise is suitable for upper level undergraduate and graduate students. It can be completed in one class period.

INTRODUCTION

The Sun Airlines exercise was designed to highlight the fact that consumer demand is not a monolithic function. Rather, it is an amalgamation of the demand arising from a series of groups of consumers. The exercise also develops the fact that the demands of different consumer groups may conflict. Thus the firm may alienate one group of consumers when attempting to meet the demands of another group of consumers,

The innovative aspect of the Sun Airlines exercise revolves around the use of a short test administered prior to the start of the exercise for purposes of assigning participants to their respective roles in the exercise. The test, described below, provides a quick measure of the participant's attitude toward smoking. The participants are then assigned to their respective groups based upon the test results. The objective of the test is to attempt to match participants to groups which most nearly represent their true beliefs. Such assignments should improve the quality of the role playing in the exercise and should promote group interaction as the position taken by the group parallels the position held by the participant. Of course, unless one is fortunate enough to work with a mix of participants whose attitudes parallel the mix required for the roles, a few participants will find themselves in roles which may differ to some extent from their true attitudes.

Exercise Roles

There are five roles in the Sun Airlines exercise. Sun Airlines management is represented by a group of nonsmokers. The Civil Aeronautics Board should be somewhat balanced with respect to attitudes toward smoking. Consumer Group A is comprised of heavy smokers. Consumer Group B represents people who smoke but who refrain from smoking in confined spaces such as aircraft. Consumer Group C is made up of nonsmokers. The specific role for each group is described below.

Sun Airlines

Sun Airlines is a medium-sized passenger carrier operating primarily in the Southern portion of the U.S. This past year Sun has been seriously considering banning smoking aboard their aircraft. While the Civil Aeronautics Board (CAB) has mandated that nonsmoker sections be furnished aboard aircraft, it has not forbidden smoking in the air.

The officers of Sun Airlines are nonsmokers themselves They are concerned about the effect which smokers have on nonsmokers in the aircraft cabin. A survey of their passengers last year indicated that Sun would lose 25% of their smoking passengers if they banned smoking aboard Sun aircraft. Smokers have been comprising approximately 30% of Sun's passenger load. Management is wondering whether nonsmokers would be attracted from competitors if they instituted the ban and if so, how many?

Civil Aeronautics Board

You are responsible for all economic regulation of the U.S. air carriers. This includes the regulation of smoking in the air. A few years ago you issued a regulation requiring that all U.S. carriers provide no smoking sections aboard their aircraft. You have recently been considering a ban on smoking in aircraft. You publicly announced these deliberations in order to get a sense of public feeling for such action. The Board was immediately deluged with letters expressing opinions on the subject. The mail ran about 3 to 1 in favor of such a ban. However, some very important people protested the ban.

Sun Airlines has announced that they are considering a smoking ban aboard their aircraft. You have been watching their actions with interest for a smoking ban by Sun could serve as a trial test for a national ban. You are sure that the smoking lobby realizes this and expect to be contacted by this group with a request to rescind any ban Sun may implement.

Consumer Group A

You have been smoking cigarettes since you were a child. Cigarettes help you relax and reduce tension in stressful situations. There is nothing more enjoyable for you than an after-meal smoke.

Sun Airlines, a carrier which you use often for business trips, has stated that they may ban smoking aboard their aircraft. This is very upsetting to you as you place great value on a cigarette after a meal in the sky. Worse still, some of you are apprehensive on take-offs and landings and depend on a cigarette to keep the tension these maneuvers create under control.

The Civil Aeronautics Board (CAB) has already mandated no smoking areas aboard aircraft. Smokers have generally been relegated to the rear of the plane which is generally noisier than the forward sections. There has been some talk that the CAB might also ban smoking in the air.

You smokers have decided to band together and stand up for your rights. You are now planning a strong protest which you will lodge with both the CAB and Sun Airlines in a few minutes. You will ask the Board to rescind any smoking ban Sun imposes.

Consumer Group B

You have been smoking cigarettes since you were a child. Cigarettes are not extremely important to you, but they provide enjoyment and a form of relaxation.

Sun Airlines, a carrier which you use often on business trips has stated that they may ban smoking aboard their

The course works towards the building of both individual and organization skills by exposing students to simulations and exercises that surface intra and inter personal issues as the first step of understanding individual behavior in organizations. The course then moves to the topic area of intra and inter group issues with additional simulations and exercises that begin to surface group issues (Figure 7).

FIGURE 7
SIMULATIONS AND EXERCISES

intra-inter personal	intra-inter group	group dynamics	intra organization
exercise on management traits	group formation	team building exercise	intra organization goal exercise
intra personal & inter personal exercise	conflict exercise	individual/group exercise conflict exercise	competition/collaboration exercise power exercise
structural exercise (e.g. Broken Squares	structured exercise (e.g. Hollow Squares)		structured exercise (e.g. What is important on my job)

An Organization Development concept called action research, which is defined as "the process of systematically collecting research data about an ongoing system relative to some objective, goal, or need of the system, taking actions by altering selected variables within the system based on the collected data, and evaluating the results of actions of collecting more data (4)", is used to continually assess our classroom organization and feedback the collected data into the system so that simulations and exercises can be designed to deal with the issue or issues that presently affect the performances of our organization. Action research calls for the use of cycle activities sometimes treating the same problem through several cycles and sometimes moving to different problems in each cycle. The use of Organization Development principle in the teaching of Organization Behavior gives the students a rook at both individual and organizational skills that are useful in understanding the behavior of the total system.

The principles of group dynamics ties together all the theories and concepts that we deal with while working intra & inter group issues. Members of the organization are exposed to many of the major issues that affect the performance of groups. Our classroom organization deals with group issues that surface concerning conflict, team development, and competition. At this point in the course we compare the actual outputs of our organization with the ideal outputs in an attempt to identify the cause of gaps in the outputs and we begin to key in on the

issues that are preventing us from accomplishing our goals. The topic area of intra organization is the point at which we show how the open system theory works in the improvement of human systems that have been affected by the behavior of all members of our classroom organization both as individuals and members of various work groups.

Perceptions

Perceptions of individuals in the organization and the way the organization is perceived by its members along with the organizations climate and environment are studied throughout the semester. As the course progresses new aspects of perceptions and organizational effectiveness are introduced so that students can become aware of how misinformation and the distortion of information could develop barriers within the system that would prevent the effective performance of task and negatively affect the development of good working relationships. The course develops a climate in which members of our classroom organization can risk expressing their true feelings and can check their perceptions with other members in the system.

SUMMARY

The end results that have been achieved in this course deal with four clusters of behavior that are important for the accomplishment of organizational effectiveness. Some of the behaviors are concerned with production and others with ways of working with people. The classroom organization works in a climate which has understood but unstated values and behaviors which reflect policies of the system as they are seen and felt by its members, as approved to formal policy statements of the organization. This has developed a trust climate in which confidence is felt by members of the work group. This trust is reflected in the behavior shown by the organization that encourages members to openly state views and differences without fear of ridicule or retaliation by anyone.

Adaptation Questions

If you are interested in adapting a similar approach to the teaching of Organization Behavior I would suggest that you consider how you would respond to the following quest ions

Are you willing to work in a climate where openness in the expression of views and feelings is a norm?

Are you ready to work in a climate where you, as instructor, and other, or students, are willing to give and receive feedback?

Are you ready to work at developing a climate which allows people an opportunity to express their own convictions?

Are you ready to work at the development of a climate that encourages and supports risk taking behaviors?

Are you ready to work at the development of a climate that has a high tolerance for ambiguity?

Are you willing to develop a climate in which openness is desirable?

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