

# 4

## ADDING ETHICAL DILEMMAS TO LINKS EVENTS

Randall G. Chapman, PhD

Chapman@LINKS-simulations.com

Revised February 26, 2009

*"There are no shortcuts to any place worth going."* - Beverly Sills

Ethical dilemmas are not an explicit part of LINKS. However, typical business practice norms in competitive markets (such as no explicit collusion among competitors) are assumed to prevail within and throughout LINKS events.

Creative instructors might wish to build ethical dilemmas into a LINKS event via thoughtful interventions into the design of the overall LINKS simulation experience.

Some possible ethical dilemma interventions are described in this LINKS white paper. These ethical dilemmas are a starting point for possible interventions that creative instructors might include within their LINKS events. However, the hope is that these ideas provide a useful "food-for-thought" starting point to stimulate instructors about the range of possibilities for ethical dilemma interventions in LINKS events.

After each ethical dilemma plays itself out, instructors would normally lead a public in-class discussion/debriefing to review the nature and outcomes of the ethical dilemma intervention in their LINKS event.

### THE "FREE-RIDER" PROBLEM

Like other large-scale, lengthy-duration course-related projects, LINKS is a "team-sport" event. Teams of students manage their firms in the competitive LINKS milieu. And, simulation-related evaluation is principally for the team as a whole, say via the recommended balanced

scorecard evaluation system built into the LINKS simulations and with final team-based in-class presentations or written reports.

But, what about each student's individual contribution to the overall performance of the team? And, what about the classic "free-rider" problem in such team-sport contexts?

An implicit ethical norm/responsibility applies to each individual participant in a "team-sport" project like LINKS: contribute positively to the team's work to the best of one's ability. But, "free-riders" can and do exist.

The instructor might confront the potential "free rider" problem with an early in-class discussion. Rather than simply confronting the problem directly ("don't be a free-rider"), the following indirect approach is possible. This indirect approach asks the class to come up with specific remedies for the "free-rider" problem. The goal here is not to have the class create a formal protocol for dealing with "free-riders" ... but, rather to discuss this potential "free-rider" problem in public to elevate its top-of-mind awareness among the full class.

30-45 minutes of in-class discussion time might be allocated to this dilemma. This discussion might occur about the time of the second scheduled game run in a LINKS event, so that students are through the early learning curve associated with the simulation experience and they are starting to feel the full stress and strain of the team management process.

The in-class discussion scenario is as follows (the instructor provides this background detail at the beginning of the in-class discussion to motivate the subsequent in-class discussion):

*A student (I'll call her/him Chris to preserve anonymity) has approached me with a course-related problem.*

*One of Chris' team members isn't contributing positively to the LINKS team's work. That student isn't prepared for group meetings, doesn't appear to have really read the manual or the most-recent set of results,, and is regularly late for the scheduled group meetings*

*In my instructor role, what should I say to Chris and/or what should I do about this situation?*

### **FREE/FOUND MONEY**

Use the Special Consulting Fee option in your industry's "firm-0" (instructor) webpage in the LINKS Simulation Database to give each firm an unexpected and unexplained -1,000,000 consulting fee bonus. (Consulting fees are an expense on a firm's profit-and-lost report, so a negative consulting fee [a negative expense] is a bonus.)

Wait a while (perhaps two subsequent game rounds) and see if any firms notice this accounting irregularity which is in each firm's favor (overstating their profitability by 1,000,000 before tax and 500,000 after tax). Firms that notice it and report it to the instructor should be rewarded by permitting them to keep 25% of this "free/found money" as a finder's fee. Firms that don't notice and don't report it should have this amount extracted later via another Special Consulting Fee of 1,000,000, to reverse the previous "erroneous" accounting entry.

### **LOST-AND-FOUND**

After the submission deadline for a mid-event LINKS written report, "sprinkle" some copies of

all firms' reports in a conspicuous public area in your business school building. Have a student assistant discreetly observe (and film?) the area of the "sprinkled" reports to see if anyone notices and walks away with them.

Wait and see if any LINKS industry members report finding these "sprinkled" reports.

### **CROSS-FIRM PERSONNEL MOVEMENTS**

At about the mid-point of a LINKS event, announce that (as in real-life) management personnel do move from company to company in an industry. Randomly select a member of each firm to move to another firm as a new management team member. Then, provide a brief confidential memo to each "mover" advising them of their fiduciary duty to keep their former firm's business practices confidential with a new "employer."

During an end-of-event public in-class debriefing, query the class about how this confidentially provision played out in practice.