

2016

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Recommended Citation

Bass, A. Erin and Pleggenkuhle-Miles, Erin G., "The Tower Building Challenge: Introducing Stakeholder Management to MBA Students" (2016). *Management Faculty Publications*. 21.

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The Tower Building Challenge: Introducing Stakeholder Management to MBA Students

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Abstract. The ability to consider and analyze different stakeholder interests is a skill required of today's business students. This paper describes a 35-minute experiential exercise using Tinkertoys® or Legos® to demonstrate and reinforce the concept of stakeholder management. The exercise, the Tower Building Challenge (TBC), is targeted toward classes in business ethics, strategy, or decision-making and requires students to work in groups to build a tower with the underpinning challenge that each group member has a different interest in how the tower should be built. Student feedback reflects on the difficulty of satisfying all stakeholders when making business decisions, the importance of making the interests of stakeholders transparent to enhance cooperation and the effectiveness of the decision-making process, and the need for stakeholder management when considering business decisions that impact stakeholders. Following this experiential exercise, students' preliminary understanding presents an opportunity for a deeper discussion of stakeholder management. Specifically, students are prompted to consider stakeholder interests as joint, rather than opposed, when engaged in stakeholder management.

Keywords: active learning, business ethics, experiential exercise, MBA, stakeholders.

1. Introduction

Recent shifts in MBA curricula have turned toward a more holistic, albeit more complex, approach to decision-making—one that considers how firms create both social and economic value. Indeed, both academics and practitioners highlight the need to

create “shared value” (Porter & Kramer 2011), spurring increased interest in business models, innovations, and partnerships that might help organizations concurrently create positive outcomes for both business and society (Michelini 2012, Nidumolu, Ellison, Whalen, & Billman 2014, Pfitzer, Bockstette, & Stamp 2013). Despite this more holistic approach to decision-making, many MBA students still focus on identifying “the right answer” (Samuelson, 2006)—or the one that favors shareholder value over the concerns or interests of other stakeholders (Ghoshal 2005, Rubin & Dierdorff 2013). The challenge for MBA faculty, then, is to shift student focus away from maximizing financial performance and shareholder value toward decision-making that maximizes the interests of multiple stakeholders concurrently.

Stakeholder management represents a content area that might be especially useful in providing students with the experience of decision-making to maximize multiple organizational goals; yet, it is complex because it involves multiple parties, often with varied interests (Donaldson & Preston 1995, Frostenson 2015, Mitchell, Agle, & Wood 1997). When students are given the opportunity to explore the problem, rather than focus solely on solving it, they become more aware of the complexity of both stakeholder management and the decision-making required to satisfy multiple interests concurrently. Engaging, rather than dismissing or simplifying, the varied interests of multiple stakeholders can generate opportunities for more creative problem-solving (Dunne & Martin 2006, Toft 2015).

This teaching brief presents an experiential exercise designed to address this more holistic approach to decision-making. Though it is geared toward MBA students, it is also suitable for an upper-level undergraduate classroom to help with decision-making and understanding stakeholder management and is detailed so that it can be effectively deployed in business ethics, strategy, and decision-making courses. While this exercise borrows from a tower building exercise often used in strategy classrooms (Dunne & Martin 2006, Meisel & Fearon 1999), it alters the strategy-oriented version by (i) incorporating the interests of multiple stakeholders and (ii) creating conditions for collaboration among stakeholders. Through this experiential exercise, students gain experience with exploring a problem and understanding the difficulties in arriving at “the right answer” when it comes to stakeholder management regardless if stakeholders are

conflicted or aligned thus providing an excellent, experiential introduction to stakeholder theory, analysis, and management.

The paper is organized as follows. First, we provide a brief background on stakeholder management in MBA curricula given its heightened importance in MBA programs today. Next, we introduce the tower building challenge (TBC)— detailing the purpose of the experiential exercise, preparation for in-class deployment, and a description of how to use the exercise in the classroom. We then discuss evaluation of the exercise and its utility in business ethics, strategy, and decision-making courses. We conclude with a discussion of the classroom benefits gained through this experiential exercise.

2. Stakeholder Theory, Analysis, and Management in MBA Curricula

In the past several decades, debate on the content and focus of MBA curricula has resulted in advances in MBA training and new expectations of the MBA's impact on society. This shifts the focus of MBA curricula away from financial performance toward an understanding of “business and society as a complex, dynamic, and interdependent system and to carefully explore theory, use frameworks, and build skills to match” (Samuelson 2006, p. 357). Thus, many MBA programs today challenge students to think more holistically about multiple relevant outcomes (financial, social, environmental, etc.) as well as to consider how the organization's decisions and outcomes impact primary and secondary stakeholders (Benn & Dunphy 2009, Dunfee & Robertson 1988, Høivik 2004, Samuelson 2006).

Managerial decisions often have far-reaching impact in today's complex business arena; therefore it is the job of instructors to help students realize and assess those potential impacts. For example, within the *Journal of Business Ethics Education* (JBEE), there has been an increase in the number of pedagogical articles that offer unique approaches to the topic of stakeholder management. This is, in part, due to the 2015 Special Issue on Teaching Business Ethics and Stakeholder Theory. In Table 1 we provide the listing of JBEE articles that discuss stakeholder issues within business ethics education, many of which were part of the 2015 Special Issue. This special issue was timely because, although there is significant pedagogical research on stakeholder

issues, there are fewer articles that provide experiential or active learning exercises to be deployed in the classroom.

Table 1: Articles that specifically discuss stakeholder management in Journal of Business Ethics Education

AUTHOR	TITLE	YEAR
Zentigan	Mainstreaming corporate responsibility	2008
Swamy and Ramesh	The relevance of GVV approach to management education in India	2011
Storchevoy	A model for identifying and teaching moral issues in stakeholder relations	2015
Alm	Chains of trust or control? A stakeholder dilemma	2015
Rendtorff	An interactive method for teaching business ethics, stakeholder theory and corporate social responsibility (CSR)	2015
Frotenson	Teaching issues-driven stakeholder theory	2015
Jacopin, Poisson-de-Haro, and Fontrodona	IBERDROLA: A utility's approach to sustainability and stakeholder management	2015
Buhmann	Introducing legal method when teaching stakeholder theory: enhancing the understanding of stakeholder expectations in relation to human rights and CSR reporting	2015

Existing pedagogical research finds that an effective approach to teaching stakeholder theory is to focus on the issues and interests of multiple stakeholders (Frostenson 2015). This approach shifts from understanding stakeholders through identification toward understanding stakeholders through the issues and interests they

represent. As a corollary, understanding stakeholder interests as related to a specific problem can be helpful for engaging critical or uninformed students of the importance of stakeholders to the business decisions that intersect with society (Toft 2015). Given the utility of understanding stakeholders based on represented interests that can be either aligned or in conflict, this paper contributes to the growing discussion of incorporating stakeholder issues to business curricula, particularly at the MBA level, by offering an experiential exercise to be used in the classroom that puts stakeholder interests front and center in the decision- making process.

3. The Tower Building Challenge

The premise of the TBC is that for any given business decision, multiple stakeholder interests are involved, and thus, multiple stakeholders are impacted. Many business students think primarily of shareholders when making business decisions. The TBC not only forces students to explore the problem of decision- making when multiple interests should be considered, but also helps students to realize that multiple stakeholders are involved and impacted by both small and large business decisions. An underlying facet of this exercise is that, in many cases, stakeholders have differing interests. At the surface level, a challenge lies in how students attend to multiple stakeholders when the interests are divergent, especially given that the primary—and often only—stakeholder in the student’s mind is that of the shareholder. However, upon further exploration and experience in the exercise, as well as instructor-led discussion, students can potentially see “stakeholder interests as joint, as inherently tied together” (Freeman, Harrison, Wicks, Parmar, & De Colle 2010, p. 27). This exercise affords students the opportunity to explore “mutually beneficial stakeholder relationships” through the exercise and the group discussion that follows (Parmar *et al.* 2010, p. 416).

This introductory exercise provides a solid foundation to build an understanding of stakeholder theory, analysis, and management. It also provides students with the realization that, in many business decisions, stakeholders must be managed. Formally stated, the specific learning objectives of this exercise are:

- Understand how stakeholders may impact a firm’s goals.
- Learn how to approach [multiple] stakeholders with unique interests.

- Understand methods for resolving conflicting priorities and/or find innovative solutions based on cooperation among stakeholders.

3.1. Using the Exercise

The TBC works best as an introduction to stakeholder management and therefore it is best deployed at the beginning of the class in which this topic will be discussed. That is, instructors can use this exercise as a primer before any discussion or class coverage of stakeholder theory. We find utility in deploying it this way because subsequent discussion of stakeholder theory, analysis, and management can be tied back to the students' experiences with the exercise. Thus, the exercise serves as a platform on which student understanding can be built. We caution instructors from using this exercise at the beginning of a course or when students have little knowledge of how the interests of business and society may intersect.

Although we have targeted this exercise for the MBA classroom, we have used it with success in the undergraduate classroom as well. Table 2 provides the descriptive statistics of the students that have experienced this exercise, and demonstrates its utility across a variety of student types.

To aid instructors in deploying the TBC, Appendix 1 details an instructor guide that assists with implementing the exercise. The instructor guide is designed to provide a summary of the exercise to facilitate the instructor in incorporating the exercise into the classroom setting. This exercise requires approximately one hour of preparation by the instructor prior to class and takes approximately 35 minutes to deploy and complete in class.

3.2. Preparation (Approximately One Hour)

To prepare, the instructor must arrange a set of materials and form groups. The instructor divides the class into groups of four-to-six students prior to the class period in which the exercise will be deployed. Groups of this size are ideal for this exercise because it affords enough challenge and opportunity for cooperation in building the

Table 2: Sample Characteristics and Descriptive Statistics

	Mean	Standard Deviation	Frequency (n)	Frequency (%)
Course-level (0=Graduate; 1=Undergraduate)	0.204	0.404		
Graduate students			121	79.61
Undergraduate students			31	20.39
Semester (0=Fall 2014; 1=Spring 2015; 2=Fall 2015; 3=Spring 2016)	1.763	1.195		
Fall 2014			33	21.71
Spring 2015			31	20.39
Fall 2015			27	17.76
Spring 2016			61	40.13
Gender (0=Male; 1=Female)				
Male			86	56.58
Female			66	43.42
Student Composition (0=Domestic; 1=International)				
Domestic			131	86.18
International			21	13.82
Major (0=MBA; 1=MEcon; 2=MAcc; 3=MGMT; 4=MKT; 5=FINA; 6=ACCT; 7=Other)	0.908	1.705		
Graduate				
MBA			113	74.37
Master of Economics			1	0.66
Master of Accounting			7	4.61
Undergraduate				
Management			17	11.18
Marketing			5	3.29
Finance			2	1.32
Accounting			7	4.61
Other			0	0

Sample size: 152 students.

tower based on a variety of stakeholder interests without stalling the exercise altogether (when groups are too large).

The following materials are needed for the exercise:

- Tinkertoys®, Legos®, or other similar building materials.
- One instructional package per group containing the following information:
 - One group instruction handout per group.
 - One unique, individual role instruction handout per group member.

The building materials represent the tangible “resources” that are used to construct the tower. We keep ours in a large bin so that students can easily access them once the exercise begins.

Each group receives one instructional package. Stapled to the outside of the package is the group instruction handout, which provides information on how to work through the exercise. Inside the instructional package are the unique, individual role instruction handouts (e.g., if the group has five group members, five unique, individual role instruction handouts are provided). The individual role instruction handouts detail a single interest for each group member (stakeholder) in building the tower and are randomly selected by each group member out of the envelope, with each group member selecting only one unique, individual role instruction. The six unique, individual role instruction handouts are shown in Table 3, and the printable instruction handouts are provided in Appendix 2.

Table 3: Unique, Individual Role Instructions

Your goal is to build the tallest tower.
Your goal is to build the widest tower.
Your goal is to build the tower using the least amount of resources.
Your goal is to build the tower using the most amount of resources.
You don't want the tower built, so you are trying to stall the process.
You don't care what the tower looks like, you just want to make sure everyone's voice and opinion is heard and considered.

We use the group instruction handout to create a treatment condition among the groups to facilitate the debriefing discussion after the TBC is complete. Half of the groups are given Group Instruction A (condition 1) that allows the unique, individual role instruction handouts to be shared among the group members. The other half of the groups receive Group Instruction B (condition 2), which instructs students not to share their individual role instruction handout with their group members (see the different treatment conditions in Appendix 1). The purpose of the treatment condition is to assess differences in how the group members work together to build the tower based on whether they share their unique interests (unique, individual role instructions) with other group members.

3.3. Deploying the Exercise in Class (Approximately 30 Minutes)

Pre-test (approximately five minutes). We have found the debriefing portion of the exercise to be more valuable to students when a pre-and post-test is deployed. Students are polled prior to the beginning of the TBC. The instructor can quickly poll the class via a show of hands, a secret ballot, or online polling software.

Our pre-test originated with the following statement that required agree/ disagree responses: "It is possible to satisfy the interests of all stakeholders" (16.1% agree; 83.9% disagree, n=62, mean=0.84, standard deviation=0.37). As with most pedagogical exercises, we revised the pre-test statement after several class deployments to the following statement: "Businesses should strive to satisfy all stakeholders" (51.6% agree; 48.4% disagree, n=31, mean=0.48, standard deviation=0.51). As indicated by the responses, we believe this revised statement more accurately captures the concept embedded in the TBC, as described below.

Beginning the exercise (approximately five minutes). To begin the exercise, the instructor asks students to assemble into the groups. Once assembled, the instructor hands each group a prepared instructional package (see "Preparation" above) and instructs them to open and read the group instruction handout carefully. The bin of Tinkertoys®, Legos®, or other building materials is placed in an easily accessible location (e.g., front of the room). Once the groups read through the group instruction handout, the instructor advises each group member to select a unique, individual role

instruction handout from inside the envelope and follow the directions on the group instruction handout as to whether the unique, individual role instruction may be shared or should be kept confidential. Groups that were instructed to share their unique, individual role instruction do so at this time.

Once students are familiar with both the group and individual instructions, the instructor invites group members to begin taking building materials from the bin. These building materials are referred to as “resources”. The instructor also indicates that students can take additional resources (building materials) at any point during the exercise.

The instructor then tells the groups that they have five minutes to build their tower, and each individual should strive to ensure that the tower is built in a way that satisfies his/her own interests as specified in their unique, individual role instruction. In essence, the student is engaged in role play of a specific stakeholder’s independent interest.

Tower building (approximately five minutes). Students are given five minutes to build their tower as a group. Each student takes on their assigned role during the activity and strives to satisfy the specified interest (see Table 2). That is, within each group there is a member that seeks to build the tallest tower and thus focuses on the height of the tower. At the same time, there is another member that seeks to build the widest tower and thus focuses on the width of the tower. Concurrently, there is a third group member that seeks to use the most resources to build the tower and tends to add resources to the tower’s width and height. There is a fourth group member that seeks to use the least resources and can often be observed removing resources from the tower. In groups of more than four, there is also a member that seeks to ensure that all voices in the group are heard. This individual often asks the group to stop building for a moment in order to create a building plan for the tower. Alternatively, or in addition to the fifth role for a group of six, a member may be assigned the interest of not wanting the tower to be built at all. This individual often employs delay tactics, such as attempting to get the group to plan instead of actually build, or dismantling parts of the tower to reconfigure the tower’s shape and size.

During the actual tower building, there is a lot of activity and discussion in the

classroom as groups attempt to build a tower and individuals seek to satisfy their own interests based on their unique, individual role instruction. At the end of the five-minute building period the instructor calls time and the groups stop building. Appendix 3 contains some examples of towers that have been built during this exercise.

3.4. Exercise Debrief (Approximately 15 Minutes)

Questions directly related to the TBC (approximately five minutes). To begin the debriefing, instructors can focus on questions specific to the exercise. We generally begin the debriefing by asking students (1) to share their interests (if they have not already done so); (2) if they are satisfied with their towers; and, (3) the competition or cooperation that occurred during the tower building process. We expand on each of these three questions below.

Once the tower building is complete, the instructor asks the groups to look at all of the towers. The instructor can then select one example group and ask each group member to share their interest as described in their unique, individual role instruction. Typically, we circle through the individuals in the example group, asking them to share their interest, and then ask the students in each of the other groups that had the same interest to raise their hands. The groups that did not share their individual roles with one another are now aware of the different interests specified in the individual handouts.

Once the interests of each group member have been shared, the instructor asks the students to raise their hands if they are satisfied with their tower. Here we see two different discussions emerge. If the instructor specifically asks if they are satisfied with the tower given their own individual interest, often only a few students raise their hands (41.9% of students were satisfied, 58.1% of students were unsatisfied, $n=31$, $\text{mean}=0.58$, $\text{standard deviation}=0.50$). This opens an opportunity to discuss why some members are not satisfied with their tower and probe into the group dynamics that prevented them from building the tower that satisfied their individual interests. However, the instructor can also ask students whether they are satisfied more generally with the group's tower construction. In response, the teams that were able to share their individual goals are generally more satisfied (of the 41.9% of students that stated satisfied to the previous question, 76.9% were in groups that were in the treatment

condition that allowed them to share their goals).

The instructor can then ask about competition or cooperation that occurred during the tower building process. Often, the students in the groups that did not share their unique, individual role instruction find this exercise frustrating because they believe their group members did not work effectively together to build a tower. In fact, they often note that some of their teammates seemed to undermine one another in trying to prioritize their own interests. However, students in groups that did share the information find it challenging to decide which interest should take priority. In general, while frustration still occurs in these groups, overall, they find ways to compromise and even cooperate to move forward with building the tower.

Connecting the exercise to stakeholder management (approximately five minutes). Depending on the course, the instructor may wish to insert an initial discussion or introduction of stakeholder identification before delving into a discussion on stakeholder management. Regardless, after the exercise is complete, students should be prepared to discuss two facets of stakeholder management: (i) satisfying the interests of multiple stakeholders, and (ii) effectively voicing interests to communicate with other stakeholders. An instructor using this exercise in an ethics course may also discuss (iii) the ethical principle(s) that governed the group's decision-making as it dealt with the different stakeholder needs in building the tower, and (iv) whether power differentials existed that explain why certain group members' needs/demands took precedence over the needs/demands of other group members. Each discussion point connects back to the recognition that different stakeholder groups exist and must be actively managed.

This exercise first reveals to students the challenges that can exist in satisfying the interests of multiple and diverse stakeholders. A simple question by the instructor such as, "How did you manage the multiple interests in your group?" reveals a variety of responses. Students might suggest that everyone in the group took turns in helping build the tower. Other students might suggest that a discussion was warranted so that each individual understands each stakeholder interest to ensure multiple viewpoints are understood before the tower building commenced. Some students might suggest that the interests of the students were prioritized. Finally, some students might suggest that

multiple stakeholders cooperated so that mutual benefits could be achieved.

Each of these responses provides a foundation for understanding stakeholder management. First, students realize that for any given business decision, multiple stakeholders with different, and at times competing, interests are involved and impacted. The involvement of multiple stakeholders creates complexities in the decision-making process. Rather than focusing on making “the right” decision, students are redirected toward thinking about “the best” decision given the contingencies of the situation (i.e., the involvement of multiple stakeholders). This ties in well to concept-based approaches in business (Burch, Kendall, & Shaw 2014), which allow students to understand that there is “not a single right answer in many situations” (Burch, Burch, Heller, & Batchelor 2015, p. 485). Further, the instructor can steer the groups into discussing the overlap of stakeholder interests (Freeman 2010) and whether the interests can be viewed as “tied together” (Freeman *et al.* 2010, p. 27). Managers inherently face multiple demands simultaneously. Thus, in recognizing the diversity of interests, reframing the discussion around the possibility of looking for overlap can spark creativity in how to address such diversity (Freeman *et al.* 2010, Parmar *et al.* 2010).

Second, students become aware of the practical importance of ensuring that the voices of multiple stakeholders are heard when it comes to complex problems. This insight maps well onto contemporary business ethics education that centers on “Giving Voice to Values” (Cote, Goodstein, & Latham 2011, Gentile 2010). This approach to business ethics education focuses on “building the skills, the confidence, the moral muscle” (Gentile 2010, p. 7) so that individuals are equipped and empowered to voice their values, concerns, or interests. After the students experience the TBC, the instructor can lead students through a discussion related to the impact of voice on the decision-making process. This discussion can be tied to the exercise such that the instructor can explain that decision-making is facilitated when each individual (or stakeholder) understands the position and interests of the other individuals (stakeholders). At a more surface level, this discussion can foster student understanding of how stakeholder interests might be prioritized. At a deeper level, however, this discussion can be used to help students appreciate how synergies can be gained from

the mutual benefit of stakeholder interests that are inherently tied together (Freeman *et al.* 2010, Parmar *et al.* 2010). Especially when approached from a deeper understanding, students can see how the exercise afforded the opportunity to explore mutual benefits among stakeholders, and that multiple stakeholder interests can potentially be addressed and innovative outcomes can be achieved when stakeholders voice their interests.

Third, students realize that it is difficult to make a decision or arrive at a desired outcome when the interests of all stakeholders are treated equally. This insight maps well onto existing stakeholder theory and analysis that suggests prioritization of stakeholders interests as one approach to stakeholder management (Carroll & Buchholtz 2014, Mitchell *et al.* 1997). With this insight, the instructor can move onto the foundational elements of stakeholder theory (stakeholder identification, stakeholder types, and stakeholder attributes) in preparation for teaching stakeholder theory and analysis (Donaldson & Preston 1995). This also maps well onto research that concentrates on linkages within and across multiple stakeholders as well as O’Riordan and Fairbrass’ (2014) framework for managing stakeholder engagement activities. Fourth, this exercise provides an opportunity for students to explore for innovative solutions that allow multiple stakeholders to mutually benefit.¹ On the surface, the exercise allows for students to prioritize stakeholder interests with the assumption that these interests are held in conflict. However, following recent advancements in our understanding of stakeholder theory and its applications at a deeper level (Freeman *et al.* 2010, Parmar *et al.* 2010), students might use the exercise to find ways to enhance adaptability in the manner in which the multiple stakeholder interests are approached (Freeman & Evan 1990) so that innovative solutions emerge that are more beneficial than those that prioritize or placate stakeholder interests held in conflict (Parmar *et al.* 2010). This constructive conflict approach is articulated well by Cuppen (2012) who utilized the concept of diversity to demonstrate how stakeholder dialogue can benefit from conflict as well as by Tjosvold (2008, p. 19) who notes that managers can use conflict to “probe problems, create innovative solutions, learn from [their] experience, and enliven [their] relationships.”

1. We are grateful to an anonymous reviewer for pointing out this strength of the exercise—that it enables students to explore both the competitive and cooperative dynamics of stakeholder management.

Connecting the TBC more broadly to course content (approximately 5 minutes). This exercise is designed to provide students with experience related to stakeholder management, but can be connected to other broader or salient course principles, such as frameworks for ethical decision-making or power differentials. For example, an instructor might ask, “Which ethical principle underlied the decision-making process as different stakeholder interests were considered in building the tower?”² This question enables students to see that different ethical decision-making frameworks—such as consequentialist, deontological, or virtue—can influence how stakeholder interests were considered and prioritized. As another example, the instructor can ask questions that connect the experience gained in the TBC to a discussion of power differentials among stakeholders, why those power differentials exist, and how the group worked through the power differentials during the TBC. In doing so, students gain an understanding of course concepts through the experience of building the tower. The TBC and associated debriefing can be used to demonstrate a variety of management principles based on course content and instructor preference. Further discussion of how this exercise can be tailored to course content is provided in the following section.

Augmenting the exercise. As described above, the exercise serves as a useful tool for introducing students to stakeholder theory, analysis, and management. A strength of the TBC is that it is adaptable such that a variety of other internal or external factors that influence stakeholder management—such as presence of regulations, defined communication channels among stakeholders, or cross-cultural differences—can impact the process of the exercise and the ease or difficulty students experience in building the tower. As an example, instructors might find it useful to provide students with a description of the regulatory environment in the group instruction handout in which they are building the tower (such as the presence of tariffs or quotas, the existence of corruption or bribery, or laws related to permits or reporting). Augmenting the TBC with additional internal or external factors that influence stakeholder management can expand student discussion and learning, but also provide the instructor with flexibility to deploy the exercise in a way that maps onto the instructor’s teaching style and points of emphasis.

2. We are grateful to an anonymous reviewer for this suggestion.

3.5. Post-Test (Approximately Five Minutes)

To conclude the activity, the instructor can ask the same agree/disagree question as in the pre-test using the same or different method of delivery (show of hands, a secret ballot, or online polling software).

Similar to our pre-test, our post-test originated with the following statement that required agree/disagree responses: "It is possible to satisfy the interests of all stakeholders" (9.8% agree; 90.2% disagree, $n=61$, $\text{mean}=0.90$, standard deviation= 0.30). Again, after several class deployments, we revised the post-test to the following statement: "Businesses should strive to satisfy all stakeholders" (6.5% agree; 93.5% disagree, $n=31$, $\text{mean}=0.94$, standard deviation= 0.25). As indicated by the responses, we believe this revised statement more accurately captured the concept embedded in the TBC. The effectiveness of the statement is highlighted when the revised post-test is compared to the revised pre-test using an unpaired t-test-- $t(60)=4.442$, $p < 0.001$.

Perhaps more revealing than the quantitative results are the qualitative statements made by students as part of the post-test discussion. Following the polling statements provided above, we asked those students that changed their answer from pre-test to post-test for an explanation. Below are examples of student responses to this question:

It is impossible to satisfy every stakeholder. It is the equivalent of hunting unicorns. Ultimately businesses should strive to satisfy the most stakeholders as possible, but must focus on the goal of effectively operating the business. (AF)

If a company tries to please all stakeholders, the end product will end up not pleasing anyone. (KM)

Businesses should not strive to satisfy all stakeholders because if they do, they will never get a quality project accomplished. They should prioritize... (CS)

Initially I said yes to this questions, but after doing the in-class exercise, I changed my mind because if a company operates to satisfy all stakeholders, they are giving up a lot of efficiency and effectiveness. (GA)

The TBC and this follow-up question opens students' minds to the complexity involved in trying to prioritize competing stakeholders' interests. The post-test reactions

enable the instructor to circle back to the core understanding that stakeholder management is a necessary tool to either minimize competition among stakeholders, or, ideally, to maximize stakeholder cooperation. To this end, these initial reactions of students following completion of the exercise lay the groundwork for the instructor to probe on how stakeholders might identify interest alignment, thus giving rise to cooperation among stakeholders. Through this probing, the instructor can dive into a discussion of how the groups might have better achieved cooperation between stakeholders in the exercise, and how these strategies can be applied in real-world scenarios.

3.6. Evaluation

After we use this experiential exercise in the classroom, we also ask students to reflect on the exercise as it relates to stakeholder management. Below are samples of student comments:

I think the activity helped highlight the importance of communication and transparency in goal setting and defining a firm strategy. It showed that when done right, at least the common stakeholder expectations can be met (though not all). Very few expectations will be met when communication, transparency, and focused effort are nonexistent in the planning process. (TD)

One of my takeaways from the activity that I would like to mention is the difference between the two scenarios. The first scenario where group members were allowed to share their goals and the other scenario where the group members didn't share their goals. I think openly talking about individual goals kind of lead to formation of subgroups in a group. Once a member finds another member whose goal is kind of similar, they can form a subgroup and kind of help each other. This doesn't happen when all the members are hiding their goals. I think the second scenario would be less productive since all the members are almost going in different directions and have no supporting peer. (AC)

In general, students typically suggest that they were more aware that multiple stakeholders are involved in business decisions, that stakeholder management is an effective way to help make optimal business decisions, and that, as managers, they should facilitate a context in which multiple stakeholders' interests can be shared and viewed jointly to increase both cooperation among stakeholders and the effectiveness of

the decision-making process. This maps directly onto existing stakeholder analysis as well as different pedagogical approaches. For example, this exercise connects well to the literature that suggests stakeholder prioritization as one way to approach stakeholder management (Carroll & Buchholtz 2014) as well as the literature that suggests stakeholder interests as “inherently tied together” (Freeman 2010, p. 8), and that managing the jointness of such interests is an appropriate approach stakeholder management (Freeman *et al.* 2010). Perhaps the most unique facet of this exercise is that through its deployment, students are confronted first-hand that not all stakeholders’ interests are aligned. While this maps quite naturally to the literature on stakeholder prioritization, through the debrief, it also allows instructors to have students explore ways of better managing and coordinating stakeholder interests when they are aligned through information sharing and transparency.

This exercise can also be used as part of an internal (program) or external (accreditation) assessment tool. After completing the experiential exercise, students can write a reflection paper on their experience during the exercise and how the activity shaped their approaches to stakeholder management.

For example, one goal in our AACSB-accredited MBA program is “To be able to develop creative solutions to stakeholder issues.” To achieve this goal, students are required to: (i) identify multiple stakeholders; (ii) justify why some stakeholders are more relevant/important than others given the organization and the context, and can provide rationale for such justification; and (iii) identify tradeoffs and satisfy stakeholders identified in (ii) but also minimize negative impacts/maximize positive impacts for other stakeholder groups. After completing the TBC, students are tasked with writing a reflection paper that describes the challenges they faced, the stakeholders involved, and communicates a better approach to the TBC than what they employed in class. The paper should justify the relevance/importance of stakeholders and identify tradeoffs in satisfying the interests of some, but not all, stakeholders. This reflection paper and associated AACSB-required rubric (that differs from the assignment grading rubric) is provided in Appendix 4. Our assessment data indicate that, after completing the TBC, 100% of our students exceeded the program goal of identifying relevant external stakeholders. Additionally, all of our students (100%) met the program goal of being

able to discern among stakeholders and their relative importance of stakeholders to the organization, and 40% of those students exceeded the program goal by being able to justify why some stakeholders are more relevant/important than others and could provide rationale for such justification.

3.7. Classroom Conversion

As mentioned above, this exercise is particularly useful in MBA curricula because it forces students to pivot from seeking “the right decision” toward an optimal decision. The exercise highlights that there is not a single outcome that is “correct.” Instead, students are forced to engage in problem exploration and the decision-making process with multiple individuals (stakeholders) all having unique interests, and thus, desiring discrete outcomes (a tall tower, a wide tower, etc.).

We have successfully deployed this exercise in business ethics and strategy classes. When deployed in a business ethics class it is helpful to augment students’ understanding of how to make ethical decisions given that multiple stakeholders are involved and can have competing interests. When used in a strategy class, it is effective for illustrating how stakeholder groups can influence a firm’s decision-making process and outcomes. We believe this exercise would also be effective in a decision-making class due to its relevance to group and collaborative decision-making.

4. Concluding Remarks

Stakeholder management is becoming an increasingly important topic as MBA curricula shift to incorporate discussion of shared value creation and the role of business in society. Although MBAs may absorb and understand the content at least at the surface level, we are unsure if it has a lasting impact on how they view the role and impact of stakeholders in firms’ decision-making processes. This experiential exercise places varied stakeholder interests at the forefront of the activity. In doing so, it highlights to students that stakeholders have differing interests, and that those interests can impact the decision-making process and outcomes. By experiencing this first-hand, students realize that there is no “right decision” to be made that dictates how the exercise plays out (i.e., how the tower is built). Instead, students are exposed to the

difficulty firms face when trying to satisfy the interests of multiple stakeholders concurrently. As a result, students understand the benefits of managing stakeholders through prioritization or some other mechanism to ensure value is created during the decision-making process. As a result of their engagement in this experiential exercise, students become active learners, which is a point AACSB peer review teams seek to observe in the curricula of Master's Degree Programs ("...students engage in experiential and active learning designed to improve skills and the application of knowledge in practice..." AACSB International 2013). Experiential exercises like the TBC fit well within and assist in meeting some of the official standards suggested by AACSB. Through classroom deployment of the TBC, instructors assist students in better understanding stakeholder management and the shared value perspective (Porter & Kramer 2011), which can act as an advantage as they work to understand the complexities that exist between business and society.

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Appendix 1

Instructor Guide

Overview of Exercise

The Tower Building Challenge (TBC) is targeted toward MBA classes in business ethics, strategy, and decision-making and requires students to work in groups to build a tower with the underpinning challenge being that each group member has a different interest in how the tower should be built.

Student Learning Objectives

- Understand how stakeholders may impact a firm's goals.
- Learn how to approach [multiple] stakeholders with unique interests.
- Understand methods for resolving conflicting priorities and/or finding innovative solutions based on cooperation among stakeholders.

Team Formation

The exercise works best with groups of four to six students. It is recommended to split the class so that you have at least two groups in each condition (Instruction A and Instruction B) listed below. With larger classes, it is recommended to have six students in a group so that more of the unique roles can be put in play.

Preparation of Materials

Materials needed for exercise consist of Tinkertoys®, Legos®, or other similar building materials and an instruction package that must be assembled and given to each group.³

- The building materials can be placed in a large bin in an easily-accessible area of the classroom so that groups can acquire the resources at will.
- You will need the same number of manila envelopes as you have groups. Cut out the unique, individual role instructions (see below and Appendix 2 for printable instructions) so that each student can select only one unique, individual role instruction (i.e., one unique, individual role instruction per person). Place these unique, individual role instructions inside each envelope. Separate the envelopes into two, even (if

3. Though the amount of materials needed varies with class size, we argue that this can be construed as an intentional constraint as firms must work with a limited amount of resources. For a point of reference, we have used two boxes of Tinkertoys (144 pieces each) in classes ranging from 12–30 students.

possible) piles. All of the manila envelopes in one pile are stapled with Instruction A (condition 1) (see below and Appendix 2 for printable instructions). All of the manila envelopes in the other pile are stapled with Instruction B (condition 2) (see below). Thus, each manila envelope should have one group instruction handout stapled to the outside of the envelope and contain a unique, individual role instruction for each group member. There should be as many manila envelopes as there are groups (e.g., a class of 30 students could be divided into six teams of five students. There should be six manila envelopes. Each manila envelope should contain five unique, individual role instructions. Three envelopes should have Instruction A stapled to the outside; three envelopes should have Instruction B stapled to the outside.)

Instruction A.

TOWER BUILDING CHALLENGE

- Read these instructions in full prior to opening this envelope.
- Once these instructions have been read by all group members, allow each group member, one by one, to reach into the envelope and select one unique, individual instruction handout.
- **Each “stakeholder” in the group must keep their unique, individual instruction handout confidential.**
- Once all group members have read their unique, individual instruction handout, and at the instructor’s direction, select “resources” from the bin to build your tower.
- At the instructor’s direction, begin building your tower.
- You have 5 minutes to build your tower.

Instruction B.

TOWER BUILDING CHALLENGE

- Read these instructions in full prior to opening this envelope.
- Once these instructions have been read by all group members, allow each group member, one by one, to reach into the envelope and select one unique, individual instruction handout.
- **Each “stakeholder” in the group can share their unique, individual instruction handout with other group members.**
- Once all group members have read their unique, individual instruction handout, and at the instructor’s direction, select “resources” from the bin to build your tower.
- At the instructor’s direction, begin building your tower.
- You have 5 minutes to build your tower.

Unique, Individual Role Instructions.

Your goal is to build the tallest tower.
Your goal is to build the widest tower.
Your goal is to build the tower using the least amount of resources.
Your goal is to build the tower using the most amount of resources.
You don't want the tower built, so you are trying to stall the process.
You don't care what the tower looks like, you just want to make sure everyone's voice and opinion is heard and considered.

In-Class Exercise

Class Pre-test. To begin the exercise, poll the students' agreement with the following statement: "*Businesses should strive to satisfy all stakeholders.*" Record the response and then have the students get into their assigned groups.

Introduction to TBC. Hand each group the prepared instructional package and instruct them to open and read the team instructions carefully. Once students are familiar with the group and individual instructions, invite the groups to collect their resources. The instructor then informs the groups that they have five minutes to build their tower.

Debrief. At the end of the five minutes, the instructor calls time and begins the debriefing. The first series of questions and accompanying discussion are specific to the exercise. The questions proceed as follows:

1. Ask the groups to look around the room at the different towers. The instructor can select one example group and ask each individual member to share their interest as described on their unique, individual role instruction handout.

2. Poll all of the students by asking “Is everyone in the group satisfied with their tower?” Probing into why they were satisfied, how their interest potentially factored into that satisfaction, and how sharing (or not) individual goals with the group influenced their satisfaction are all useful discussion points. For those that are satisfied, the instructor can ask them if they are satisfied given their individual interest.
3. The instructor can ask “Was there any competition or cooperation that occurred during tower building?” to uncover the obstacles that the groups faced, but more importantly, to encourage discussion of the decision-making process and how stakeholders worked against, or with, each other.

The second series of questions and accompanying discussion are focused on connecting the exercise to (1) stakeholder management, and (2) course content. The question are based on course content as well as instructor preference, but the following examples are provided for some guidance:

4. How did you manage the multiple interests in your group?
5. What ethical principle underlied your decision-making as you dealt with the different stakeholder needs in building the tower?
6. What power differentials existed that explain why certain group members' needs/demands took precedence over the needs/demands of other group members?

This discussion can lead into a deeper discussion of stakeholder interests and how they are managed.

Class Post-test. You can close the exercise by again polling the students to indicate their agreement with the following statement: “*Businesses should strive to satisfy all stakeholders*” and asking students to reflect on why their response may have changed, or asking students to reflect on how the exercise shaped their approach to stakeholder management.

Appendix 2 Printable Group Instruction Handouts

Instruction A

TOWER BUILDING CHALLENGE

- Read these instructions in full prior to opening this envelope.
- Once these instructions have been read by all group members, allow each group member, one by one, to reach into the envelope and select one unique, individual instruction handout.
- **Each “stakeholder” in the group must keep their unique, individual instruction handout confidential.**
- Once all group members have read their unique, individual instruction handout, and at the instructor’s direction, select “resources” from the bin to build your tower.
- At the instructor’s direction, begin building your tower.
- You have 5 minutes to build your tower.

Instruction B

TOWER BUILDING CHALLENGE

- Read these instructions in full prior to opening this envelope.
- Once these instructions have been read by all group members, allow each group member, one by one, to reach into the envelope and select one unique, individual instruction handout.
- **Each “stakeholder” in the group can share their unique, individual instruction handout with other group members.**
- Once all group members have read their unique, individual instruction handout, and at the instructor’s direction, select “resources” from the bin to build your tower.
- At the instructor’s direction, begin building your tower.
- You have 5 minutes to build your tower.

Unique, Individual Role Instructions

Your goal is to build the tallest tower.

Your goal is to build the widest tower.

Your goal is to build the tower using the least amount of resources.

Your goal is to build the tower using the most amount of resources.

You don’t want the tower built, so you are trying to stall the process.

You don’t care what the tower looks like, you just want to make sure everyone’s voice and opinion is heard and considered.

1. Which stakeholders (select three) were most relevant and/or important in your group? Why?
2. Come up with a solution for the problem you identified in (1) above. How does this solution impact the stakeholders in (4) above? Identify any tradeoffs among stakeholders or discussion how negative impacts are minimized and/or positive impacts are maximized.

Rubric:

Trait Descriptions	Fails to meet expectations (2 pts)	Meets expectations (2 pts)	Exceeds expectations (3 pts)
Student identifies relevant external stakeholders.	Omission of one major or many minor relevant external stakeholders identified.	All major and most minor relevant external stakeholders identified.	Recognition of multiple stakeholders and acknowledgement of stakeholders with diverse interests.
Student can discern among stakeholders and their relative importance of stakeholders to the organization.	Views all stakeholders as equally relevant and/or important.	Recognizes complexity and/or variation in stakeholders' relative importance.	Justifies why some stakeholders are more relevant/important than others given the organization and the context and can provide rationale for such justification.