



## **OBTC 2016 at Walsh University June 8<sup>th</sup> – 11<sup>th</sup>, 2016**

### **Submission Template**

#### **SUBMISSION GUIDANCE**

- \* Remove all identifying properties from this document \**
- \* All files must be saved in PDF format \**
- \*Please include ALL supplementary text at the end of this document\**
- \*Only one document should be submitted\**

## Submission Template for the 2016 OBTC Teaching Conference for Management Educators

### 1) Title, Abstract & Keywords

*In your abstract, please include a brief session description (not to exceed 100 words), and three to four keywords. If your proposal is accepted, this description will be printed in the conference program.*

#### **The Power and Challenge of Facilitating Reframing: Applications in Teaching Negotiation**

Gaining the ability to reframe (identify and significantly change their assumptions or perspectives) is a powerful learning opportunity, but it can be challenging to achieve. This session broadly introduces the issue and challenge of teaching reframing and then offers two short cases to facilitate reframing in negotiation. Participants in this session will negotiate and then debrief both cases. The cases are designed to produce “aha” (frame shifting) experiences. The cases will be made available to participants for their own use.

Keywords: Negotiation, Reframing, Teaching, Case study

### 2) Format

- ☒ Activity or exercise
- ☐ Roundtable discussion (60 minute only)
- ☐ General discussion session

#### 2a) For activities and exercises only, is yours best suited for

- ☒ A traditional classroom
- ☐ An online class
- ☐ Either

#### 2b) For activities and exercises only, is yours best suited for

- ☐ Undergraduate students
- ☐ Graduate students
- ☒ Either

### 3) Time Requested:

- ☐ 30 Minutes  
☒ 60 Minutes (*Roundtables must select 60 minutes*)  
☐ 90 Minutes

#### 4) Planning Details:

*Each room contains a white board with markers, computer (PC) with DVD capability and computer projector. Does your session require any other equipment?*

No.

#### 5) Teaching Implications:

*What is the contribution of your session to management pedagogy/andragogy? Specifically, please include your learning objectives, and describe what management and/or teaching topics are relevant to your session, and why. Also, include theoretical, disciplinary, or theoretical foundations that will help reviewers understand how your ideas fit within the broader field of management.*

This session addresses issues related to teaching reframing, particularly in the areas of negotiation and conflict management. By the end of the session, participants will have two short negotiation cases that they are prepared to use effectively in a variety of courses.

We define a frame as assumption or set of assumptions that guides our attention and behavior. As clarification, we choose to use the term "frame," though the basic idea has been referred to in many different ways: frame (Argyris 1999, Bolman & Deal 2013), assumption, mindset (Dweck, 2006), mental models (Senge, 2006), perspective (Thompson, 2015), etc.

Frames are important because research has demonstrated they have a significant impact on behavior and effectiveness. Argyris (1999) observed that our Theory-in-Use tends to be different from our Theory-in-Action. While we perceive ourselves as enacting Model II values, we typically enact Model I values when engaging in situations of perceived conflict or threat. In addition, we tend to be unaware of this disconnect. This is counterproductive for learning and effectiveness.

Bolman and Deal (2013) have demonstrated that people tend to favor a particular frame or set of frames as they interpret organizational situations, and their framing influences

what they believe is appropriate action. Effective reframing enables better analysis and intervention.

Senge (2006) has argued “Mental Models” and the way we manage them are central to organizational learning. Dweck’s (2006) research on “Mindset” shows that people tend to have either a “fixed” or “growth” mindset and that these mindsets significantly impact their behavior and performance. For example, people with a growth mindset are better able to endure difficulties and continue learning and growing from failed attempts or after setbacks.

In negotiation, people most naturally tend to frame situations as “zero sum” or “fixed pie,” and this leads to suboptimal outcomes (De Dreu & Gelfand, 2008). People also fail to engage in the kind of perspective taking (exploring how the other party might be thinking and perceiving the situation) impacts negotiation outcomes, and this leads to fewer mutually beneficial solutions (Thompson, 2015).

Arguably, there are differences in how these streams of research operationalize their version of framing, but they have some key basic issues in common. They deal with frames or assumptions that people tend to be unaware of. In other words, frames often exist outside the awareness of the individual. People tend to be biased toward believing that what they see is what “is” rather than a set of imperfect perceptions, assumptions, and interpretations, etc. (Nisbett, 2015).

Building student insight and awareness into framing and reframing can be complicated for several reasons. Frames are intangible. Because they often exist outside the awareness of the individual, they can be difficult to surface or identify. Because people tend to be more comfortable believing that what they perceive is what “is” it can be disconcerting for them to acknowledge and explore their own frames. Also, we tend to frame ourselves positively, and examining our frames may lead to seeing ourselves more negatively. As Argyris has noted, others rarely see us with the same blamelessness, open mindedness, or nobility as we see ourselves when we are in conflict (1999). Psychologists have also documented a variety of self-serving biases (Fiske & Taylor, 2013).

### **Framing in Negotiations**

The focus of our session is framing as it relates to effectiveness in negotiations and its impact on negotiation outcomes. People’s natural tendency to frame negotiations as “zero sum” limits their ability to generate the creative solutions that could produce mutual gain (De Dreu & Gelfand, 2008). For example, a study that provided opportunities for mutual gain but that also assessed perceptions demonstrated that sixty-eight percent of participants perceived that their interests were completely opposed to those of the other party (Thompson & Hastie, 1990). Thus, they did not seek mutually beneficial solutions.

Similarly, most people are not naturally good at “perspective taking” and may not see any reason to try to view a situation from another person’s perspective. In addition, in negotiations, people may not understand the difference and impact of perspective taking versus empathy. As research has demonstrated perspective taking may be of more value than empathy in developing the most mutually beneficial outcomes (Galinsky, Maddux, Gilin, & White, 2008). People tend to assume the perspectives of others are more similar to our own than they are (Fiske & Taylor, 2013).

However, simply informing students of this gap does not ensure that they will be able to act differently (Tjosvold, Wong, & Chen, 2014). Thus, as teachers we have the challenge of finding the right materials and orchestrating the right kinds of experiences to help students gain actionable knowledge in the area of framing and reframing. The purpose of our session is to provide two cases that can be used for these purposes. Participants will form pairs to negotiate these cases, and we will provide an informative debrief about the key learning objectives and how participants can best use them in a variety of classroom settings.

## 6) Session Description and Plan:

*What will you actually do in this session? If appropriate, please include a timeline estimating the activities will you facilitate: how long will they take, and how will participants be involved? Please remember that reviewers will be evaluating how well the time request matches the activities you’d like to do, and the extent you can reasonably accomplish the session’s goals. Reviewers will also be looking for how you are engaging the participants in the session.*

Below is an outline followed by additional details related to the two negotiation cases and the learning value that they can provide:

- Introduction
  - Introduce the topic of Framing, Reframing and their application to negotiations (5 minutes)
  - Engage in brief thumb wrestling activity to illustrate what a frame is and the power of framing in guiding our behavior
- Negotiation Case #1: The Multiplex Saw
  - Introduce the case and teaching objective (see Appendix 1) (3 minutes)
  - Pair up and negotiate the case (12 minutes)
  - Debrief the case (7 minutes)
- Negotiation Case #2: The Student Apartment case
  - Introduce the case and teaching objective (see Appendix 1) (3 minutes)
  - Pair up and negotiate the case (13 minutes)
  - Debrief the case (7 minutes)

- Final Questions and Answers (4 minutes)

### **Multiplex Saw Case Notes**

On the surface this appears to most students (even when primed to ask questions and look for creative solutions) to be a distributive bargaining case. Pat, the owner of Pat's New and Used Equipment and Materials, has a multiplex saw that C.T., the owner of Calistoga Specialty Grill, is interested in purchasing. There is a Zone for Potential Agreement (ZOPA) of \$5,000 to \$7,000 for the saw. Most students successfully negotiate the sale of the saw, and students can learn how well they did as they hear the outcomes that others achieved.

However, most students fail to see that there is an even more valuable negotiation to be had. More specifically, Pat has oak (in the form of barrels), and C.T. uses oak in the specialty grill. Currently, Pat values the barrels at \$2,000, but C.T. would value them at up to \$5000 (ZOPA is \$2,000-\$5,000). Thus, there is an additional \$3000 of potential value to be negotiated if they realize that it may be in both their interests to negotiate for the barrels as well. The value of this is even more than the value to be distributed just by negotiating the saw (\$3,000 versus \$2,000).

Also, most students fail to realize that there was anything else they could have negotiated and are shocked to learn of their oversight. In addition to negotiating the oak barrels, students might consider trading meals at the grill which is another potentially good way to think about expanding the pie. We have been using this case for almost twenty years, and it has always produced an engaging and eye-opening experience for students. Typically, about ten to thirty percent of students discover that they can negotiate something other than the saw.

In sum, this case is particularly good for helping students see that their natural framing of the situation did not lead them to see opportunities for mutual gain that were readily available in the negotiation. Students commonly frame their task as getting the best deal they can on the saw rather than engaging in a dialogue in a way that has the potential to unlock value for both participants.

### **Rental Home Case Notes**

The second case involves a potential negotiation between a landlord and students renters. The primary value of this case is to help participants learn how different their perspectives are. More specifically, there are a variety of issues in the case in which landlord and student look at the same objective situation but have completely different views and interpretations. However, they are unaware of how differently the other party views these issues and why they see it differently. As they get into the negotiation, the negotiators are often shocked to learn that they could have viewed

the same issues so differently and have been so confident that their perspective was the “right” one. This case was inspired by a segment from the book *Getting to Yes* (Fisher, Ury, & Patton, 2002).

Below are a number of contrasting perspectives. The awareness of these contrasts typically emerges gradually as the negotiation progresses.

### **1. Original Rent**

Student: The \$1,300 rent was steep, but probably fair.

Landlord: \$1,600 was estimated as fair. However, I offered a below market rate in order to fill the property during a soft market and to help out the students.

### **2. Proposed Rent**

Student: Proposed rent does not seem justified or fair. One of my friends is confident we can find as good a place for less money.

Landlord: I could fairly easily get at least \$1,700.00 per month for the house. Current data that I have gathered for similar rentals suggests that somewhere between \$1,800.00 and \$1,850.00 would be fair.

### **3. Accommodation to Students on Rental**

Student: I feel that she should at least take into account the fact that students are often financially stressed.

Landlord: I have done a great deal to accommodate students, but this cost to me is high and I am now financially stressed by my mother's situation

### **4. Repairs**

Student perception of landlord: She does not check to make sure everything is working well in the home. Instead, she waits until something is broken before fixing it rather than being proactive and addressing potential issues before they emerge.

Landlord's perception of herself: Anytime anything has required repair, I have had a repair person come and address the issue that very same day.

### **5. Quality of Tenant**

Student perception of themselves: We are good tenants because 1) we don't have pets; 2) we immediately pay the rent whenever she asks for it; and 3) we even maintain the property by keeping the place relatively clean.

Landlord perception of students: Students are hard on rental properties. They never pay the rent until I ask for it. Although not egregious, they certainly do not keep the place up to my standard of cleanliness.

### **6. Landlord as Personable**

Students: Landlord is cold and distant.

Landlord: I really keep out of their hair and let them do their thing.

## **7. Condition of Home and Neighborhood**

Student: The neighborhood is rundown and not particularly appealing. At the time we moved in, the house was arguably in need of a new paint job inside and out.

Landlord: I am happy that they can enjoy the lovely home that I grew up in and be part of a friendly neighborhood that is free of the crime that is growing near the university.

Having used this case for a number of years, it has consistently been helpful in enabling the negotiators to see sharp contrasts between the perceptions that they held as reality versus how the other party was experiencing and perceiving the exact same situation. Students often remark about this in their learning journals.

## **7) Application to Conference theme:**

How does your session fit with the overall OBTC theme of *United in Service*?

In order to be “United in Service” we need to be able to be united. One of the challenges to being united is that people naturally see things differently; thus, conflict can arise naturally even when people have the best of intentions. Although the concept of framing can be applied to many issues, we selected the context of negotiation and conflict management because of the key role they play in influencing our ability to be united and to serve collaboratively.

Similarly, the quality our service is enhanced when we are able to think creatively to expand the pie. Simply caring or empathizing with others whom we would like to serve does not naturally lead to the best outcomes. For example, research has demonstrated that perspective taking can be more helpful than empathizing in achieving the best outcomes (Galinsky, et al., 2008).

## **8) Unique Contribution to OBTC:**

*Have you presented the work in this proposal before? If so, how will it be different? Is this proposal under current review somewhere else? If so, please explain. How will your proposal be different for the OBTC conference?*

Although we have used these exercises for years, we have never presented them to be freely used by others. In response to inquiries we have had about negotiation course materials, we decide to put this session together so that others might also benefit from these resources.



## References

- Argyris, C. (1999). *On organizational learning* (2nd ed.). Malden: Blackwell Publishing.
- Bolman, L. & Deal, T. (2013). Fifth edition. *Reframing organizations: Artistry, choice and leadership*. San Francisco: Jossey Bass.
- De Dreu, C. K. W., & Gelfand, M. J. (Eds.). (2008). *The psychology of conflict and conflict management in organizations*. New York: Lawrence Erlbaum Associates.
- Dweck, C. (2006). *Mindset: The new psychology of success*. New York: Random House.
- Fisher, R., Ury, W., & Patton, B. (2002). *Getting to yes*. New York: Penguin Books.
- Fiske, S., & Taylor, S. (2013). *Social cognition: From brains to culture* (2nd ed., Vol. 2). Boston: McGraw-Hill Higher Education.
- Galinsky, A. D., Maddux, W. W., Gilin, D., & White, J. B. (2008). Why it pays to get inside the head of your opponent: The differential effects of perspective-taking and empathy in strategic interactions. *Psychological Science*, 19(4), 378-384.
- Galinsky, A. and Schweitzer, M. (2015). *Friend and foe: When to cooperate, when to compete, and how to succeed at both*. New York, NY: Crown Business.
- Nisbett, R. E. (2015). *Mindware: Tools for smart thinking* (First edition.). New York: Farrar, Straus and Giroux.
- Senge, P.M. (2006). *The fifth discipline: The art and practice of the learning organization*. New York: Doubleday and Currency.
- Thompson, L. (2015). *The mind and heart of the negotiator* (6<sup>th</sup> ed.). New York: Pearson.
- Thompson, L., & Hastie, R. (1990). Social perception in negotiation. *Organizational Behavior and Human Decision Processes*, 47 (1), 98-123.
- Tjosvold, D., Wong, A., & Chen, N. (2014). Constructively managing conflicts in organizations. *Annual Review of Organizational Psychology and Organizational Behavior*, 1, 545-568. doi:10.1146/annurev-orgpsych-031413-091306

### **The Multiplex Saw Negotiation (Buyer)**

You are C.T., the owner of Calistoga Specialty Grill. You have made a specialty of preparing delectable entrees by grilling over different kinds of wood with unusual spices. People are willing to pay well for your entrees, but there are significant costs associated with your operation, and you are looking to cut costs. For example, the oak that you burn in one of your grills costs \$1.00 a pound, and you have discovered that by buying a multiplex saw you can cut the oak in a manner that will enable you to get more value out of the wood burned.

You have located a used multiplex saw at Pat's New and Used Equipment and Materials. Pat is asking for \$10,000 for the saw. You believe that this price is negotiable. You want the saw, but not at that price. You value the saw at \$7.00 per hour of use and you estimate that the saw has 1,000 hours of life left in it, and has no scrap value. Your job is to do your best to represent your interests in a negotiation with Pat.

### **The Multiplex Saw Negotiation (Seller)**

You are Pat, the owner of Pat's New and Used Equipment and Materials. You are an opportunist who looks to buy new and used materials and equipment at bargain prices and then turn around and sell them for more than you paid for them. Sometimes you work on or alter materials to increase their value. For example, you recently bought 100 oak barrels weighing 50 pounds each. You paid \$20.00 per barrel. These barrels would have been used for wine storage, but they were damaged in the production process and cannot be used for their original purpose. You have a multiplex saw that you can use to cut these barrels in half, and then you can sell them as planters. You value the saw at \$5.00 per hour for cutting barrels because someone has offered you \$5,000 for the saw. You can make a profit of \$5.00 per barrel if you cut and sell them (that is \$5.00 profit after taking into account the labor cost and cost of using the saw). If you do not use the saw to cut the barrels, you can sell the barrels to your cousin for the price that you paid for them and thereby recover your costs. You paid \$3,000 for the multiplex saw. You estimate that the saw has 1,000 hours of life left and had no scrap value. You offered to sell the multiplex saw to C.T., the owner of Calistoga Specialty Grill, for \$10,000, but you are willing to accept less. Your assignment is to do your best to satisfy your interests in a negotiation with C.T.

## **Rental Home Case: Student Renters**

You and a few other students rent a house and have been generally happy with it, but the landlord has just announced that she wants to increase the rent from \$1,300.00 per month to \$1,700.00 per month.

You were surprised by this and would like to keep the rent as low as possible. Tuition and other school related costs have significantly increased recently, and you feel you cannot afford to pay the new rent. You feel that she should at least take into account the fact that students are often financially stressed. Even when you moved in, that rent seemed steep, but probably fair. Furthermore, one of your friends is confident you can find as good a place for less money.

You perceive yourselves to be good tenants. You immediately pay the rent whenever she asks for it. You do not have any pets, which can be very hard on a rental property. You even maintain the property by keeping the place relatively clean.

Although you have been satisfied with the house, the neighborhood is rundown and not particularly appealing. At the time you moved in, the house was arguably in need of a new paint job inside and out. So, it seems a little puzzling why she would consider such a large increase reasonable. The landlord is generally fine, but she is also fairly cold and distant and does not check in to make sure that everything is working well in the home. She waits until something is broken before fixing it rather than being proactive and addressing potential issues before they emerge.

You would like to convince her not to raise the rent, or at least raise it as little as possible.

## **Rental Home Case: Landlord**

When you originally put the house up as a rental, the market was soft and the timing was not ideal for finding renters. A friend who is a full-time property manager, managing 30 rental homes, advised you on how to handle the rental. She suggested offering a very attractive rent in order to make sure the property was occupied rather than take a chance on letting it be vacant for a period of months. She estimated \$1,600.00 per month as a fair rent, and this is consistent with the market research you have done. However, she suggested you consider going as far as 15-20% below market rates in order to secure a renter in the immediate term.

You agreed to rent the house to a group of students for the below market rate of \$1,300.00 per month. You are sympathetic with students because you remember the days when you were working two jobs to try to put yourself through school. You are happy to help them out a bit. You are also happy that they can enjoy the lovely home that you grew up in and be part of a friendly neighborhood that is free of the crime that is growing near the university. However, it is sometimes a little painful to think of how much income you lost compared to what you could have had if it were rented at market price over the past two years. Now, it is time to at least get a fair price for the home. The market has strengthened and you feel the financial pressure with the cost of living going up. On top of that, your mother has moved into assisted living, and you are bearing a significant chunk of the costs.

All else equal, you would be happy to have the current tenants stay, but you also don't mind finding someone new. Your friend who is a full-time property manager informs you that this is a good rental market, and you could fairly easily get at least \$1,700.00 per month for the house. Current data that you have gathered for similar rentals suggests that somewhere between \$1,800.00 and \$1,850.00 would be fair. Given the convenience of keeping the current renters and the fact that you would like to help them at least a little with the cost of their housing, you are willing to rent it to the students at \$1,700.00.

At the same time, students tend to be hard on rental properties. Although not egregious, they certainly do not keep the place up to your standard of cleanliness. They never pay the rent until you ask them for it. You are also a good landlord in that you really keep out of their hair and let them do their thing. Anytime anything has required repair, you have had a repair person come and address the issue that very same day.

If they are unwilling or unable to pay the \$1,700.00 per month, you would like to get started advertising the property house right away so that you can have plenty of lead time to get a new renter.