

Activity/Exercise Session:

**TEACHING
INTERNATIONAL NEGOTIATIONS**

ABSTRACT:

This session demonstrates how international negotiation can be taught in an experiential manner within the classroom. These skill sets can be incorporated into business courses such as strategy, organizational behavior, international business, and negotiations. This 90-minute session demonstrates the importance of cultural awareness and organizational culture within business organizations and provides guidance for attendees to enhance students' skills via case studies and role play activities. Participants will receive 5 stories that support 3 learning objectives designed to enhance a participant's ability to teach international negotiations.

Keywords: International Business, Negotiations, Experiential Classroom Activities

INTRODUCTION

Teaching international negotiation can be fun and exhilarating (Wheeler, 2006). The students enjoy the exercises and find them challenging (Loewenstein & Thompson, 2000). Textbooks such as Kremenjuk's International Negotiation (2002) is a best-seller that outlines negotiation theories, dynamics and complex international collaborations. According to Aslani, et al. (2016), cross-cultural negotiation research often will consider individual versus collective societies (Hofstede, 1980); independent versus interdependent (Markus & Kitayama, 1991) and hierarchical versus egalitarian societies (Hofstede, 1980). Even factors like different perceptions of time have an impact in cross-cultural negotiations (Macduff, 2006). Two key dimensions are the value of time and the management of time – noting that not only is punctuality and time-keeping important but time orientation such as past, present and future orientations affect negotiations (Macduff, 2006). Thus, cultural distinctions can play a significant role in how negotiations are enacted and their success (Brett, Gunia & Teucher, 2017).

A key challenge for educators is how to prepare their students' international negotiations readiness given the multitude of cultures within global business. Since negotiators in different cultures often use different strategies for negotiation (Gunia, Brett, & Gelfand, 2016; Brett, Gunia & Teucher, 2017), understanding these differences are key to successful international negotiations. Avruch (2000) defines six things that culture is not: “an homogenous, essentialized, uniformly distributed, customary, timeless, and stable thing”- thus, again proving a difficult terrain for professors to provide students with an international checklist of “do's and don'ts.” So, how do professors ensure that the right skills sets are truly absorbed into their student's future negotiations?

Salacuse (2010) states that international negotiation courses must teach three main concepts: 1) enhanced negotiation analysis; 2) sharpened negotiation skills; and 3) heightened international business knowledge. Our submission highlights some experiential techniques and

case studies that can provide professors guidance in enculturating their student's psyche to handle unexpected international negotiation situations.

THEORETICAL FOUNDATION

Negotiation Training and the Power of Observation

Negotiation is a perpetual process that facilitates a long-term, mutually advantageous collaboration (Asherman & Asherman, 2004). The process consists of six components: 1) planning; 2) climate setting; 3) issue identification; 4) bargaining; 5) settlement and 6) review.

Researchers have shown that negotiation training is best learned by comparing different case study literature (Lowenstein, Thompson, & Genter, 2017). Additionally, Lowenstein et al. (2017) noted that teams studying case studies individually performed no better than teams with no negotiation training at all. Furthermore, Hoover, Giambatista and Belkin (2012) demonstrate that "vicarious observational learning" versus direct experience without observation augments classroom achievements.

Considerations for Developing International Negotiation Case Studies

We encourage international negotiation educators to consider three main concepts when developing international negotiation case studies. Firstly, be sure to include elements of regional context and cultural differences within the story. Bernard (2009) discusses the concept of "soul" that is important in her intercultural negotiation case studies. Soul incorporates cultural intelligence, human cognition and effectiveness in international management which teaches students to utilize emotional subjectivity and understanding of faith and ethnic traditions in their negotiations (Bernard, 2009).

Secondly, do not neglect standard negotiation strategy lessons such as BATNA (Best Alternative to a Negotiated Agreement) and ZOPA (Zone of Probable Agreement) from seminal authors such as Fisher, Ury & Patton (2011); but also incorporate how regional norms influence negotiation strategies. Brett, Gunia & Teucher (2017) research how different areas of

the world rely on specific strategies such as questions and answers (Q&A) compared to other regions that rely on substantiation and offers (S&O) strategy. Teaching students to understand concepts such as high/low trust, high/low joint gains, tightness/looseness, and holistic versus analytic mindsets can enable successful negotiations within a global context of cultural differences (Brett, et al., 2017). Adair et al. (2004) investigate how information sharing is directly related to cultural gains in intercultural negotiations, in addition to power-based influence.

Finally, the experiential component of learning while doing is critical for students to gain insight and practice from the curriculum. Macduff (2012) expounded on the use of blogs in his negotiation classes and related technical competence and cultural preferences to how his students in different regions received this pedagogical tool. This presents a useful alternative to in-person classroom discussions of negotiation case studies.

International Negotiation Role Play Technique Examples

Timura (2010) contrasts a range of international negotiation training methods and finds the common denominator for successful teaching lies in the use of role plays and simulations. Aslani et. al. (2016) compares negotiation strategies between the USA, China and Qatar where face-to-face simulations address concepts such as dignity, face and honor within multi-cultural negotiation tactics.

Balachandra, Crossan, Devin, Leary, and Patton (2005) developed a training tool which teaches students to become “adaptable negotiators” via improvisation techniques. This training allows negotiators to be able to adequately handle unexpected situations more adeptly.

Smolinski and Kesting (2012) suggest a role play technique between two classrooms from geographically distant and culturally distant learning institutions. This presents a unique opportunity for students to begin to comprehend cultural differences, regional negotiation strategies and have experiential learning simultaneously. The major drawback is the

administrative logistics to setup such a pedagogical tool.

In this proposed session, our group will present five scenarios and demonstrate how to utilize an experiential learning framework to teach international negotiations

EXERCISE OVERVIEW

Utilizing Kolb's Experiential Learning Theory ("ELT") four-stage cycle (Kolb & Kolb, 2005): 1) concrete experience; 2) reflective observation; 3) abstract conceptualization and 4) active experience, we will demonstrate an international negotiation training session in 90 minutes. The workshop participants (i.e. sample students) will read two negotiation case studies and develop concrete learning experience from the specific international negotiation situations in a hands-on manner. After which, we will lead the workshop participants through a guided reflection on the two case studies. The discussion of what worked and what didn't work and comparing the two situations represents reflective observations. Subsequently, we will ask the workshop participants to plan what ideas/ concepts should be considered before the next negotiation. This represents the third stage of abstract conceptualization. Finally, we hope to conclude with a roleplay exercise that will give workshop participants an active experience to reinforce learning, as per Kolb's fourth stage ELT cycle (Kolb & Kolb, 2005).

LEARNING OBJECTIVES

This section reviews the learning objectives intended to complement international negotiation curriculums.

Learning Objective 1 (LO1): Understanding the importance of cultural awareness and international business

As cultural awareness has multiple facets given the myriad of cultures, it is essential to understand the nuances of how cultural awareness interacts with international business. This session will demonstrate experiential learning techniques that capture the intricacies of cultural awareness in international business using case studies and role plays.

Learning Objective 2 (LO2): Identifying effective case studies, stories, role-playing exercises and techniques

Identifying relevant case studies, stories, role-playing exercises stories will help in capturing the complexity of cultural awareness in business contexts (LO1). Identifying effective and relevant scenarios will make teaching and understanding of international negotiations multi-layered.

Learning Objective 3 (LO3): Using a combination of experiential learning exercises to reinforce different stages of Kolb's learning cycle

Ensuring that students have the opportunity to not only analyze and compare different negotiation styles and strategies, but also to have them critically engage with their observations and then emulate learnings in a role play simulation. This reinforces learnings so that the participant may recall within an actual international negotiation.

SESSION DESCRIPTION

The following outlines the time allocated to each activity, the learning objective and the associated activity for the 90-minute session. Due to the interactive nature of the session, the timeline can easily accommodate a late start or a change in length.

<i>0 - 5 minutes.</i>	Introductory, example negotiation case study.
<i>6 – 20 minutes.</i>	Introductions, including participants meeting those sitting near them and a brief review of the theoretical framework and an overview of the learning objectives.
<i>21 - 31 minutes.</i>	Review a second case study and compare and contrast them.
<i>32 - 50 minutes.</i>	Facilitators ask participants to identify key lessons learned and what they will do or not do in a future international negotiation (as a result of the case study discussion).
<i>51 - 80 minutes.</i>	In groups, participants select an international negotiation role play from the list we provide them (see Appendix). Participants review and rehearse the negotiation in their groups.
<i>81 - 85 minutes.</i>	While we welcome questions during the session, we reserve five minutes reserve time for participants who prefer to ask questions during a formal Q & A time or any other unanswered questions.
<i>86 - 90 minutes.</i>	We conclude the session with a summarizing story.

APPENDIX

International Case Study Samples

Pumpkin Win-Win Case Study

A Professor who taught in the United States took a year sabbatical. During her sabbatical she decided to complete her writing and research in France. She uprooted her family, including her school-aged children. Her children were placed in a school in France that also had several other native American school-aged children. Inspired about the national diversity in his classroom, the French Instructor wanted to incorporate a traditionally known American holiday, Halloween. The Instructor wanted to have a Halloween party for his students, including lots of treats and of course, pumpkin carving into jack-o-lanterns! Thus, the French Instructor approached the American Professor and asked for her assistance and support. To make the Halloween party a success, the American Professor was responsible for the most critical piece, purchase of the pumpkins.

Unlike in the United States, wherein pumpkins were pretty easily accessible during this time of the year, the American Professor had a difficult time locating pumpkins in France. She looked high and low but could not find anything suitable for traditional pumpkin carving. Feeling slightly defeated, the American Professor remained hopeful in her search. Far out in the country, she came across a farm stand that had pumpkins! Lady Isabelle came out of the farm stand and asked her how can she help? The American Professor who had very limited options, informed her that she needed 32 pumpkins. Lady Isabelle provided her with a price. Although it was slightly higher than what she would have otherwise agreed upon, she knew that she did not have a favorable BATNA. Thus, the American Professor requested all of the pumpkins, which was slightly over 32 and came in different shapes and sizes.

Lady Isabelle was taken away by her offer, and walked away saying Non, Non, Non! Quickly, thinking about her response and limited options, the American Professor thought what

can I do to change her mind: 1) offer more payment, 2) ask her how many pumpkins she would be willing to sale, or 3) explain to Lady Isabelle her underlying interests, or 4) ask Lady Isabelle, why not sale me all of your pumpkins?

The American Professor decided to go with the later and ask Lady Isabelle why not sell her all of the pumpkins. Just in case Lady Isabelle would not reveal her underlying interest, the American Professor planned to ask, under what circumstances would she sell her all of her pumpkins; hence, having Lady Isabelle make her an offer.

Lady Isabelle revealed that if she sold all of her pumpkins, she would not have any seeds to plant for next year. In return, the American Professor revealed how the pumpkins would be used for the school-aged children to make jack-o-lanterns. She also offered to return all of her seeds back the next week, if she would sell her all of the pumpkins. Lady Isabelle thought for a minute and agreed to sell all of the pumpkins in return for the seeds! Both parties were able to achieve what they wanted out of the negotiation!

Inspired by Dr. Jeanne Brett: <https://m-peck.wistia.com/medias/crt0fs015q>

It Ain't Over ~ Til It's Over Case Study

PURPOSE: This historical story demonstrates the difficulties in international negotiations.

LESSONS: Details can derail negotiations. Even when the decision makers participate in negotiations, external forces can negatively influence progress.

STORY:

As reflected in the years after World War II, the end of war does not mean the beginning of peace. Rather than a binary condition of war or peace, the progression towards peace includes successfully negotiating unrest and power vacuums that erupt when a war ends.

World War II ended in 1945; China's civil war resumed with Japan's retreat and ultimate surrender. The Nationalist, led by Chiang Kaishek, battled the Communist, led by Mao Zedong,

for control of China. Recognizing China's pivotal role in establishing stability in East Asia, U.S. President Truman asked General George C. Marshall to broker a peace agreement between Chiang Kaishek and Mao Zedong. By mediating a peace agreement, Truman sought China as a post World War II ally.

Miraculously, Marshall convinced Chiang and Mao to agree to a democratic style government within his first few weeks in China. Across the globe, Marshall was heralded as a master negotiator. Yet just a few years after Mao and Marshall toasted "peace and friendship" (Kurtz-Phelan, 2018), Mao led the Communists to subjugate China forcing Chiang to flee to Taiwan.

Despite bringing the leaders to negotiate an important deal with clear objectives and a highly respected mediator, the negotiations failed. How did this seemingly successful negotiation fail? One contributing factor – details. While Chiang and Mao agreed to broad concepts, Marshall was unable to negotiate details agreeable to both leaders. Second, threatened by democracy in China, Stalin flipped from supporting Marshall's mediation to actively encouraging Mao to take China by force.

Reference: Kurtz-Phelan, D. (2018, July 30). The Marshall Plan that Failed. The Atlantic.

HistoryNet. (n.d.) World War II. Retrieved from <https://www.historynet.com/world-war-ii>.

To Teach or Not to Teach Case Study

An Indian female student, Priya, shifted from India to the US in order to pursue a PhD. She was in the first year of her program and was teaching assistant for an American professor for a leadership course. There were some changes being made to the syllabus and she was asked to design the syllabus and facilitation for one of the sessions. Given her research and previous experience expertise in the topic area for the given session, Priya seemed to be an ideal choice to

lead the facilitation for that one class (1 hr). They were both excited about the collaboration.

While adding the readings to the syllabus, the professor gave Priya a free hand and let her decide the readings for that one session. However, when it came to designing the class facilitation, the professor wanted to make sure that it is done carefully.

Two weeks before the aforementioned session, the professor asked the TA, Priya, to share her teaching plan for the session. Priya excitedly shared her plan which included talking about some fundamental concepts along with sharing some stories and experiences that she had gathered in her professional career of 8 years. The professor replied saying that she should think more about the teaching plan and gave her a list of resources that she could use for the session including cases, videos, etc. The reply made Priya feel that the professor was questioning her skills and expertise, as she had put in a lot of effort and research in her teaching content. She wanted to explain to the professor her point of view, however she was feeling uncomfortable because the professor was senior to her and she felt that questioning your superior would be disrespectful. She also felt that perhaps her choice of words was not good enough to convince the professor of her teaching plan. The topic of the class was so close to Priya's heart and research, that she did not want to give it up and she wanted to teach it her way. But she also did not want to offend the professor and impact their relationship. Her BATNA was to not do the session, as the professor in one of their previous meetings had mentioned that she did not want to pressurize Priya and that she could choose not to lead the facilitation of the class. But Priya really wanted to lead the discussion. Her other option was to reach out to the professor and discuss her concerns, and that is what she decided to do. However, rather than being defensive, Priya decided to ask the professor what did the professor expect to be the learning outcome of the session and what was missing in what she had suggested. She also prepared for backup questions and reasons, in case the professor doesn't like or answer her previous question. Asking direct questions to your superior felt uncomfortable to Priya, but she had seen other PhD students do it and she decided it was time to adopt a new approach. On asking the question, the professor explained to Priya that

the session should be more experiential for the students in order to draw the point home. Priya agreed to that point but she hesitantly mentioned that her story-based approach has worked in the past and that she wants to implement the same here. But Priya had realized that experiential learning was a priority for the professor, and the resources the professor had sent were not to question Priya's ability, but they were to help facilitate a better session as the professor thought of Priya as a colleague in the TA role. Knowing all this, Priya came up with a suggestion to have an exercise for the students that involved stories in a team format. The professor was happy to accept the suggestion and they both worked on an existing exercise and incorporated Priya's stories and experiences in the exercise. The session went really well and both the professor and the TA learnt new things.

Franciscan Monk Negotiation Case Study

"A Franciscan monk who was a speaker at an international seminar about world peace, was asked if successful negotiations between Israel and Palestine were possible. He called two young people up to the microphone: a Palestinian young man and a Jewish Israeli young man. "Imagine you are brothers," he told them. "Your father has passed away, and he has left you an inheritance with three assets," represented symbolically by three coins, which he placed on the podium.

"Your instructions are that you must share the inheritance fairly but you cannot split any of the assets," the boys were told. "Now you must try to find a creative solution that will get you the maximum possible benefit." When the Palestinian said he would take two coins and give the Israeli one, everyone laughed again and the monk said, "Well, okay, you have the power to do that, but you are sowing the seeds of conflict." The Israeli said he was actually thinking of taking one coin and giving the Palestinian two. "Evidently," the monk guessed, "you feel it's worth the risk of investing in your adversary in this way, and hope to somehow benefit in the future from this." The boys sat down.

Next, the monk asked two young women (again one was Israeli, the other Palestinian) to repeat the exercise. It was fairly clear where the monk was going with this, but would the girls get it? “I would keep one coin and give her two,” said the Israeli young woman, “on condition that she donate her second one to a charity, maybe a children’s hospital.” “Good,” said the monk and asked the Palestinian woman if she agreed. She said “I would keep one for myself, and give one to her, and say that we should invest the third one together.” The entire audience stood and applauded for the final solution.

Negotiating is not a game, and it’s not a war, it’s what civilized people do to iron out their differences. There is no point, the monk said, in figuring out how to get the other side to sign something they cannot live with. A negotiated settlement today is not the end of the story, because “there is always the day after,” and a good negotiator should be thinking about the day after, and the day after that.”

Reference : <https://tammylenski.com/three-coins/>

African - German Retail Negotiation Role Play

Role play context: South African company has premium leather jackets made under the AGOA Trade Act with the United States. German Trading company needs to buy 100 jackets for its American client. The jackets are well made and full of style. Negotiate a price for the jacket. For purposes of this role play, 10 South African rand equals 1 euro.

German Buyer: You have a maximum of 7500 euros and 25,000 South African rand. You also have credit cards. Decide what you want to pay and the tactics you will employ making concessions. A similar jacket in Germany would cost 150 euros.

South African Seller: You have sold 70 of these jackets to foreigners in the last few days. The lowest price was 800 South African rand per jacket and the best prices was 2000 South African rand per jacket. The jacket cost you 600 South African rand per jacket. You know you can buy

more cheaply with foreign currency than South African rand. In fact, you can buy a jacket with 50 euros in South Africa because your supplier wants euros for his upcoming holiday. You are determined to get a good profit on this deal.

Observer: You are privy to both sets of information and must answer the next set of questions from both points of view. Each planning question should have two sets of answers.

Inspired by: <http://utenportugal.org/wp-content/uploads/Negotiation-exercises.pdf>

International Job Negotiation Role play

Hiring Officer: You are a local Senior Manager at a large IT firm in an emerging market. This emerging market country charges corporations a 1% penalty tax (1% of expatriate salary must go towards a government sponsored local skills development fund) for hiring too many expatriate employees. You have two potential candidates for an operations manager in one of your divisions. One is not local but has significant experience working in this emerging market country for 20 years. The other has limited work experience in operations but is local and understands local cultural nuances of the staff.

You have a salary budget of 8500 units with no company car. Your company is phasing this perk out and replacing with a company employee shuttle bus to pick employees up at parking lots of local metro stations.

Spend 5 minutes negotiating a potential compensation package with each candidate.

Then based on the two 5-minute interviews you must make a job offer selection.

How do you justify your hiring decision to your USA boss whose major concern is profitability? How do you justify your decision to local government officials?

Local Staff candidate: You are from the emerging market and have a great reputation for being a diligent worker. You don't brag/boast about your accomplishments. The work sub-ordinates adore you and are always ready to impart new knowledge to you. Thus, you are able to hit the

ground running with high productivity. You are requesting 10,000 units for salary and a company car.

Expatriate candidate: You are assertive in telling others about your skills and done this type of work many times in this emerging market. You are requesting 9100 and a company car. You are aware some of the staff may not respect you and this could affect immediate business productivity, but you are experienced working in the local market and overtime you develop staff into highly productive workers for great long term productivity. You address this issue directly with the hiring manager with potential solutions.

Sample Role Play Questions

1. What are your alternatives to this negotiation, and how attractive are they? What do you think are the other party's alternatives?
2. Identify your interests, and prioritize the issues that are most important to you. What do you think are the other party's interests and priorities?
3. What is your "walkaway value" for an agreement? (At what point would you be better off walking away from an agreement and accepting your alternative?)
4. What is your target for an agreement? (What would represent a good outcome for you in this negotiation?) What are different ways you could achieve your target?
5. What strategies can you use to create joint value? What strategies can you use to advocate for yourself?
6. How will you build trust and rapport?
7. How did culture play a role in the negotiations?

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