**ABSTRACT**

**Title:** CLAIMING VALUE: HELPING STUDENTS TO PRACTICE AND

DEVELOP DISTRIBUTIVE NEGOTIATION SKILLS IN THE

CLASSROOM.

This activity is a practical distributive negotiation exercise and an active learning mode of learning that encourages students to develop and practicalize their distributive negotiation skills in the classroom. In this activity, each student negotiates by trading an item with peers in the classroom with the aim of achieving higher extra credits for himself/herself through the negotiation activity. For students negotiating an item, one student is tasked with selling the item for the highest amount possible (higher selling amounts are commensurate with higher extra credit points), while the other student is tasked with buying the item for as low as possible, (lower buying amounts are commensurate with higher extra credit points). Overall, the goal of each student in this negotiation exercise is to claim the highest extra points possible for himself/herself by selling or buying an item. Distributive negotiation is described as a zero-sum type of negotiation where the goal of each participant is to claim more value for himself/herself. Distributive negotiations often present win: lose situations where parties in the negotiation try to claim more value for themselves through the negotiation. Having discussed the theories and concepts associated with distributive negotiation in the classroom, (which include BATNAs, negotiation positions, closing negotiations, responding to hardball tactics, etc.) through this activity, students are guided to further develop and practice their distributive negotiation skills with peers. This activity seeks to guide MOBTS participants to further recognize the usefulness of learning by doing in negotiation classes. We also hope to share our experiences of using this negotiation activity with MOBTS conference participants and receive feedback on ways to improve the activity for more effective results in the future.

*Keywords: Distributive Negotiation, Claiming Value, BATNA, Active Learning.*

**Introduction**:

The contemporary business professional must be equipped with important negotiation skills to be successful in career and in business. Negotiation is an art and students must develop practical negotiations with which to respond to the negotiation tactics presented by other parties on the negotiation table. Research has shown the positive relationship with adept negotiation skills with obtaining preferred outcomes (Hüffmeier, Freund, Zerres, Backhaus, & Hertel, 2014; Orr & Guthrie, 2005; Tutzauer,1992).

**Theoretical Foundation/Teaching Implications**

This activity is focused on developing and practicing distributive negotiation skills. Distributive negotiation is described as a zero-sum type of negotiation where the goal of each participant is to claim more value for himself/herself (Deutsch & Krauss, 1962; Lax & Sebenius, 1986) Distributive negotiations often present win: lose situations where parties in the negotiation try to claim more value for themselves through the negotiation. Distributive negotiations skills are important because of three fundamental reasons. First, many interdependent situations arise that distributive in nature and to do well in those situations, negotiators must know how these situations work. Second, research shows that most people use distributive negotiations tactics almost exclusively and negotiators must know how to counter these skills. Third, most negotiations tend to require distributive bargaining skills at the value-claiming stage of the negotiation (Lax & Sebenius, 1986; Lewicki, Saunders, Bruce, 2021).

Research has shown the positive relationship with adept negotiation skills with obtaining preferred outcomes (Hüffmeier, Freund, Zerres, Backhaus, & Hertel, 2014; Orr & Guthrie, 2005; Tutzauer,1992). Thus, students need to develop and practice these skills for effective negotiation outcomes.

**Learning Objectives**

At the end of this activity, participants will be able to:

1. Understand the strategy and tactics of distributive bargaining.
2. Appreciate the role of concessions in distributive negotiations.
3. Practice different negotiation strategies and tactics with peers.
4. Practice using this exercise to help students to learn and develop negotiation skills.

**Exercise Overview**

In this activity, each student negotiates by trading an item with peers in the classroom with the aim of achieving higher extra credits for himself/herself through the negotiation activity. For students negotiating an item, one student is tasked with selling the item for the highest amount possible (higher selling amounts are commensurate with higher extra credit points), while the other student is tasked with buying the item for as low as possible, (lower buying amounts are commensurate with higher extra credit points). The negotiation range and the extra points awarded to each negotiator are shown in Appendix A and Appendix B.

As mentioned earlier, the goal of this activity is to guide MOBTS participants on how to engage students in negotiation through practicing negotiation skills in the classroom. We also hope to share our experiences of using this negotiation activity with MOBTS conference participants and receive feedback on ways to improve the activity for more effective results in the future.

First, we will present a refresher on negotiation, particularly on distributive negotiation concepts and strategies. Next, we will pair up participants and watch them negotiate using information, instructions, and guidelines earlier presented. Finally, everyone will participate in lessons learned and suggestions for future improvements.

**Session Description**

***Timing***

The case discussion can be structured to accommodate a 90- minute session. An outline of the timing for a 60-minute session is included.

**Table I: Outline for a 60-minute session**

| **Agenda** | **Activity** | **Time Allotted** |
| --- | --- | --- |
| **Opening** | * Facilitator presents a refresher and elicits discussions on negotiation, distributive negotiation strategies and tactics. * Facilitator elicits discussion with all participants about the presentation and their actual negotiation experiences. | 20 min. |
| **Pair or Group Activities/**  **Assignment** | * Facilitator pairs up participants and provides an item to each pair of participants. (Item could range from a pen, to souvenirs, t-shirt, anything of worth). In each pair, one participant will be tasked with selling the item and the other participant will buy the item. * For the seller, higher selling amounts are commensurate with higher points, while for the buyer, lower buying amounts are commensurate with higher points. Each participant is provided with price range and commensurate points awarded. The goal of the negotiation exercise is to use different negotiation strategies (ranging from information disclosure, persuasion, emotions, etc., to arrive at a desirable price point for each negotiator). * The negotiation price range and commensurate points awarded to each negotiator are shown in Appendix A and Appendix B * A seller must sell the item, or he/she would earn zero points and a buyer must buy an item or he/she would earn zero points. * It is very important that each negotiator has no prior knowledge of the other’s price range and commensurate awarded points. * To add more fun and engagement, participants can switch partners if they get better offers or BATNAs from other participants. * Facilitators count down the time to evoke the feeling of deadline to the end of the negotiation process. This is to improve negotiators’ willingness to reach a bargain before time elapses. | 20 min. |
| **Debriefing** | * Each participant shares their selling price and buying prices with the class. * Each participant shares strategies used with the class. * Each facilitator describes lessons learned with class. * Participants discuss their experience with the activity (i.e., feedback, lessons learned, suggestions for improvement, and other recommendations). | 20 min. |

**References**

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Appendix A: Selling Price and Commensurate Points awarded to Seller.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Selling Price ($)** | 10  to  9.5 | 9.5  to  9.3 | 9.29  to  9.00 | 8.99  to 8.00 | 7.99  to  7.5 | Below 7.45 | No sale |
| **Point Awarded** | 10 | 8 | 6 | 4 | 2 | 1 | 0 |

Appendix B: Buying Price and Commensurate Points awarded to Buyer.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Buying Price ($)** | Below 7.45 | 7.99  to  7.5 | 8.99  to 8.00 | 9.29  to  9.00 | 9.5  to  9.3 | 10  to  9.5 | No sale |
| **Point Awarded** | 10 | 8 | 4 | 4 | 2 | 1 | 0 |