

**Northwestern University
Kellogg Graduate School of Management
Organization Behavior D75
Cross-Cultural Negotiation**

Winter D75-61

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**CROSS-CULTURAL NEGOTIATION
COURSE INFORMATION**

Objectives

This course focuses on negotiation in the global business setting. Students may take D75 as a follow-up to D70 with the understanding that basic concepts in negotiation will be reviewed for the majority of students who have not taken D70. There will be at most two cases that overlap with D70. Cross-Cultural Negotiations will cover the basic negotiation concepts dealt with in D70. In addition, Cross-Cultural Negotiation will investigate two types of factors that add to the complexity of negotiation in international settings: issues, such as currency, venue for dispute resolution, ethics that are unique to the international arena; and culture, and how it affects negotiation processes.

Negotiation is the art and science of securing agreements between two or more parties who are interdependent and who are seeking to maximize their outcomes. Negotiating across cultures adds significant complexity to the process of negotiation. Not every culture negotiates from the perspective the model of negotiation taught in Kellogg's D70 course. The following is a partial list of course objectives:

- o To learn to develop a strategic plan for negotiating that takes cultural differences into account. This objective is paramount because many important phenomena in negotiation, e.g., interests, power, fairness have different interpretations in different cultures. We cannot teach a set of formulas that will always maximize your outcomes regardless of what culture you are dealing with (although they should help).
- o To gain a broad, intellectual understanding of a set of central concepts in negotiation as they apply in the cross-cultural context. These concepts are the building blocks of negotiation strategy and will become integral to

planning for negotiations, negotiating, and evaluating the negotiation process.

- o To develop confidence in your skills to negotiate beneficial transactions and resolve disputes in cross cultural settings.
- o To improve your analytical abilities for understanding the behavior of individuals, groups, and organizations in competitive situations in cross-cultural settings.

Course Format

The course will consist of a series of simulations designed to help students develop their analytic, strategic, and negotiating skills in the cross-cultural setting. Students will be expected to prepare for simulations outside of class. Many of the exercises will take place outside of class. Class time will be used for debriefings and discussion.

Attendance

Students are expected to participate in all negotiation exercises. One-on-one exercises are frequently scheduled outside of class, and can be arranged to be negotiated at students' convenience. Group exercises involve a large number of people and cannot be rescheduled. In-class negotiation exercise days are indicated in the syllabus with a *. The syllabus is available from the OB Department secretary at 491-3470 and in the case packet. Dates of in-class negotiation exercises will not be changed.

Materials

Fisher, R., Ury, W., & Patton, B. Getting to Yes. New York: Penguin 1991.

Case Packet and Handouts and Bibliography

Salacuse, J. Making Global Deals. Boston: Houghton-Mifflin, 1991. (In the case packet)

There is an international negotiations bibliography in the case packet. Exercise materials and debrief outlines will be handed out in class.

Evaluation

30% Class Participation

Class participation is a very important part of the learning process in this course. You will be evaluated on the QUALITY of your contributions and insights. Quality comments possess one or more of the following properties:

- offers a unique, but relevant, perspective
- contributes to moving the discussion and analysis forward
- builds on other comments

-transcends the "I feel" syndrome. That is, it includes some evidence, argumentation, or recognition of inherent tradeoffs. In other words, the comment demonstrates some reflective thinking.

Although your participation grade is subjective, it will not be random or arbitrary.

D75 has the following attendance policy: You may miss one negotiation exercise without penalty if you provide advance notice to the instructor. If you miss a second exercise, you will lose a letter grade. If, in conjunction with any miss, you do not provide advance notice, you will lose a letter grade. Note that many of the negotiation exercises are done outside of class and can be scheduled at the students' discretion.

Do not use e-mail for the purpose of notifying me you will be absent. Please telephone me. 847-491-8075. I have an answering machine. Please keep in mind that you must be present to contribute to the debriefing.

35% Exam

There will be an exam in class on 2/13. The exam will cover the concepts discussed in class to date, the readings, and will focus particularly on the Mouse exercise. The exam will ask you to apply the concepts to the exercise.

35% Paper

A final paper on an international negotiation topic is due 3/17. A brief oral report on the paper will be given in-class 3/13. The paper should be about 10 pages of analysis. You may work in small groups 2-3 people, or alone. You may choose a format from below, or you may negotiate an alternative format with me.

- a. Analyze an international or cross-cultural negotiation situation about which you have personal knowledge, or have access to participants.
- b. Analyze an international or cross-cultural negotiation situation in which you have interest, but will have to use publicly available documents.
- c. Write a cross-cultural negotiation exercise, run it, edit it, and write a debrief outline. (Requires a team)

Please turn in a paragraph statement of your topic for approval and help by 1/23.

Papers in formats (a) and (b) usually take a few pages to set up and describe the situation. Such papers then concentrate on analysis. What were the parties interests, what went wrong/well, why? What could have been done differently? How was the process linked to the outcome? What was the effect of culture?

Papers in format c most often founder when the focus is the situation, not a negotiation learning point. Pick your learning point(s) when you pick your situation. Try not to make the exercise too complicated. If you are relying on a real situation, it is OK to depart from the real facts of the case in order to make it a better learning exercise.

Grading will focus on your ability to use concepts from class to analyze a real-world international or cross-cultural negotiation situation.

COURSE OUTLINE

I. Monday 1/6 Introduction to Negotiation

Read: Fisher, Ury & Patton, Getting to Yes (all)

Class: Introduction to course
Prepare Les Florets

Thursday 1/9 Negotiation Strategy

Read: Finish, Getting to Yes
The Pros and Cons of Getting to Yes

Outside of Class: Negotiate Les Florets

Class: Debrief Les Florets

II. Monday 1/13 Negotiation Strategy

Read: Managing the Negotiator's Dilemma (Lax & Sebenius pp. 154-182)
The Eight Step Approach; Preparing (Kennedy et al. pp. 14-37) A
Quantitative Approach to Preparation (Raiffa,)

Outside of Class: Prepare with your partner a confidential quantified interests schedule for Medical Equipment

Class: Negotiate Medical Equipment

When you have reached an agreement or an impasse in Medical Equipment, opposing teams should open their confidential, quantified interests schedules to each other and discuss the following in preparation for class:

1. If you reached an impasse, was there an agreement possible? Why were you unable to reach it? If no agreement was possible, why not?

2. If you reached an agreement, did you create the maximum joint value? If not, why not?

Please create a visual for the class that puts together the two parties' interests schedule and result. Put your names on it.

Thursday 1/16 Negotiation Strategy cont.

Class: Debrief Medical Equipment, Bring your visual.

III. Monday 1/20 Introduction to Culture

Read: Salacuse, Making Global Deals, Chapters 1-4, Adler, Negotiating with Foreigners

*Class: 5 Tricks

Thursday 1/23 Cross-Cultural Negotiations

Read: Weiss, Negotiating with Romans, Salacuse, Making Global Deals, Chapters 5-6

Outside of Class: Prepare Alpha Beta

*Class: Negotiate Alpha Beta

IV. Monday 1/27 Cross-Cultural Negotiations

Read: Salacuse, Chapters 7-9

Class: Debrief Alpha Beta

Thursday 1/30 Ethics in Cross-Culture Negotiations

Read: Ethics and Bargaining (pp. 180-192; 200-202)

Review: Salacuse, Chapters 3-4

Outside of Class: Negotiate Tupal Dam

Turn In: Paper topic

Class: Debrief Tupal Dam

V. Monday 2/3 Government in Cross-Cultural Negotiations

Read: Negotiating in Latin America, How Washington Inc. Makes a Sale

Review: Salacuse, Chapters 5-6

Outside of Class: Prepare Granite Corporation

*Class: Negotiate, Granite Corporation

Thursday 2/6 Government in Cross-Cultural Negotiations

Class: Debrief, Granite Corporation
VI. Monday 2/10 Multi-Party, Multi-Issue, Multi-Cultural Negotiations

Read: Negotiating with the French, Negotiating Group Decisions

*Class: Negotiate Mouse

Thursday 2/13 Exam in class

VII. Monday 2/17 Multi-Party, Multi-Issue, Multi-Cultural Negotiations

Class: Debrief Mouse

Thursday 2/20 Cross-Cultural Dispute Resolution

Read: Interests, Rights and Power, Arguing, Excerpts from Getting Past No

Outside of Class: Negotiate Summer Interns

Class: Debrief Summer Interns

VIII. Monday 2/24 Cross-Cultural Dispute Resolution

Read: Cultural Differences between the U.S. and Japanese Patent Systems, Negotiating with the Japanese

*Class: Negotiate UV systems vs Yokohama Electric

Thursday 2/27 Cross-Cultural Dispute Resolution

Class: Debrief UV Systems vs Yokohama Electric

IX. Monday 3/3 Third Party Dispute Resolution

Read: Getting to know Your Conflict Options, Mediation

Outside of Class: Negotiate The Paradise Project

Class: Debrief The Paradise Project

Thursday 3/7 Mediation in International Disputes

Class: Video Prosando vs. High Tech

X. Monday 3/10 Creating Value in Cross-Cultural Negotiations

Outside of Class: Negotiate Cartoon

Class: Debrief Cartoon

Thursday 3/13 Cross-Cultural Negotiations

Class: Paper reports
Class wrap-up

Turn In: Final Paper by Monday 3/17

* Indicates in-class group negotiation