

Northwestern University
Kellogg School of Management
INTL 474
Cross-Cultural Negotiation
Fall 2009

Professor Jeanne Brett
Office: Leverone 3-377
Phone: (847) 491-8075

Home: 773-327-6050
Fax: (847) 467-5700
E-mail: jmbrett@kellogg.northwestern.edu

Course Assistant : Long Wang

E-mail : long-
wang@kellogg.northwestern.edu

CROSS-CULTURAL NEGOTIATION
COURSE INFORMATION

Objectives

This course focuses on negotiation in the global business setting. Cross-Cultural Negotiation will cover all the negotiation concepts dealt with in MORS 470. However, INTL 474 will put negotiation concepts into a global setting. We will learn about how culture affects global negotiators' interests and priorities, the strategies that they bring to negotiating table, the environments in which they negotiate. We will consider the role of government at the global negotiating table and deal with ethics. You may not take both INTL 474 and MORS 470.

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. There is substantial variation in how people negotiate around the world. Although we will consider negotiation examples from across the globe, this is not a course on "when in Rome..." Instead the course introduces a model for understanding how culture affects the fundamental elements of a negotiation strategy and provides students with experience adjusting this model to negotiate in a variety of venues.

The major objective of the course is to prepare students to negotiate in a global environment, not just in a domestic environment where national culture provides a fixed context. Additional objectives include:

To learn to develop a strategic plan for negotiation that takes cultural differences into account. Many important phenomena in negotiation, e.g., interests, power,

fairness have different interpretations in different cultures. Although I cannot promise a cultural formula that will always maximize your outcomes regardless of what culture you are dealing with, this course will definitely help.

To gain a broad, intellectual understanding of a set of central concepts in negotiation as they apply in a global context. These concepts are the building blocks of negotiation strategy and will become integral to planning for negotiations, negotiating, and evaluating the negotiation process.

To develop confidence in your skills to negotiate beneficial transactions and resolve disputes in cross-cultural settings.

To improve your analytical abilities for understanding the behavior of individuals, groups, and organizations in competitive situations in cross-cultural settings.

Format

The course is designed around a series of simulations and debriefings. Each simulation has been chosen to help students develop their analytic, strategic, and negotiating skills in the cross-cultural setting. I expect students to prepare for simulations outside of class and to participate actively in the debriefings. Some simulations are negotiated outside of class.

In the debriefings, we will share the results of our negotiations and discuss strategies that worked and strategies that did not work. The course offers an opportunity not available in the real world to see both the other side's outcome and the outcomes of others who negotiated the same facts as you did.

Please look at the course matrix. You will note that the course is very much front end loaded. We will be negotiating every week sometimes twice a week to cover all fundamental concepts. After the midterm exam the pace slows to allow students to consolidate their skills and apply them to the analysis of a real global negotiation which is the final paper assignment.

Honor Code

The Kellogg Honor code applies to this course as follows:

- You may not show your confidential role information to others before or during the negotiation, though you may tell others what you wish during the negotiation. You may also share confidential information after the negotiation.
- You may use any strategy, short of physical violence, to reach agreement, including misrepresentation. However, in selecting a negotiation strategy it is important to remember that a strategy may have ramifications that go beyond the particular negotiation in which it was used.

- You may not make up facts that materially change the power distribution of the exercise, e.g. your family just bought the company with which you are currently negotiating.
- It is not appropriate to Google exercises, borrow notes, discuss exercises, or share exams with people outside of class.
- Material used in this class including, but not limited to handouts, exercises, cases, discussion questions, charts, and graphs are copyrighted and may not be used for purposes other than the educational experience of this class without the written consent of the instructor.
- Class discussion stays in class.

Class Norms

Food – there is to be no food in the classroom. You may bring a covered drink to class.

Computers – You will need your computers for some of the negotiations. However, computers are not to be used during class discussion, without explicit permission of the instructor.

Cell Phones - are to be turned off for class.

Research

Kellogg's Dispute Resolution Research Center has been instrumental in developing Kellogg's reputation as one of the premier institutions for teaching negotiations. Many of the individuals who have written the exercises and cases we will use in the class are or have been affiliated with the center. Much of the cutting-edge research on negotiations has been and continues to be conducted at Kellogg. You have an opportunity to benefit from this research in this course. Just as prior Kellogg students have contributed to your learning experience by participating in DRRC research you may have an opportunity to contribute to the knowledge base for future students. I will tell you if an exercise is being used for research and you may tell me that you do not wish to participate in the data collection aspect of an exercise. There is no implication for your grade.

Attendance

Negotiation Days. You are expected to be prepared and on time for all negotiations. You may miss one negotiation exercise without penalty if you provide advance notice. 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. Being late to an exercise is equivalent to being absent. Please make your travel plans accordingly.

This policy sounds onerous, but you will not want to miss exercises because that is where much of the learning happens. And, if you miss the exercise you will not learn as much

from class discussion. Furthermore, with advanced notice your classmates and I will certainly work with you to do an exercise outside of class. The ones that are hard to schedule outside of class are the ones with 4 or more people at the table. Check the matrix. When the matrix says prepare as a team, we're in the large group situation.

If you must miss an exercise, please let me know by email as much in advance as possible so that I can make arrangements for your partner. My home number for Sunday or Wednesday night emergencies is 773-327-6050. Please keep these phone numbers with you when you travel during the quarter. I have answering machines.

Debrief Days. The attendance policy does not extend to debrief days. These are the days to miss if you have to miss class. However, I do keep track of class participation. Indeed I cold call especially to ask students about their reactions to the prior negotiation. If you are not in class you miss the deeper learning opportunity of the discussion and debrief.

Materials

Brett, J. M. *Negotiating Globally*. San Francisco: Jossey-Bass 2007 **NOTE** this edition is quite different from the 2001 edition.

You may read Chapters One and Two but **DO NOT READ** Chapters Three and Four until directed to do so by the matrix. The data in the book will be used throughout the class to provide cultural benchmarks.

Evaluation

There are three elements to the final grade: participation, midterm exam, and final paper. Each element will be standardized, then weighted, and added. This will generate a class rank. Letter grades are assigned according to rank. Every class is different, but across the years normally about 40% of the grades are A. Two actions on the part of a student will earn a C grade: Failure to attend class, or failure to prepare for and learn negotiation concepts. This happens very rarely in this class, but unfortunately, it does happen. Class attendance is not-negotiable. The weights of each category of performance are below.

I will give you an individual memo explaining all the elements of your grade. I also give detailed written feedback on final papers and goals papers.

There is more information about grading, example exams, example papers, the grading template for papers on the class web site.

Class Participation (30%)

Class Discussion. Class discussion is a very important part of the learning process in this course. If you are not in class for a debriefing you cannot participate. In addition to being there and joining the discussion, you will also be evaluated on

the quality of your contribution. Quality comments include: questions when a concept is not well understood, insight that moves the discussion deeper, and analogy to current events or real world situations. I give 3,2,1, or 0 points for class discussion with 1 for attending, 2 for saying something thoughtful, and 3 for insight. I normally toss out students' two lowest discussion days.

Goals Papers. One of the best ways to improve performance is to set goals. Negotiators who set high, but realistic goals get better outcomes than negotiators who do not. The purpose of the goals papers is to encourage you to do some self assessment and focus on what you personally need to get out of the course. The first goals paper is due class 2 (**September 24th**). Read the first chapter of *Negotiating Globally* 2007 edition. Set some specific goals. (max. length, no more than 2 pages.

The second goals paper is due the last day of class (**December 3rd**). Reread your first goals paper. Note how far you have come and what more you need to do to continue to develop your negotiation skills.

Points for goals papers (max 5 points each). Be insightful and thoughtful. I will give you feedback on your goals papers.

TURN IN goals paper via email to me jmbrett@kellogg.northwestern.edu

Planning Documents. Each student is expected to turn in a planning document for each negotiation exercise as noted in the last column of the course matrix. There will be a box for planning documents on my desk at the beginning of each class in which a document is due. Please bring two copies, one for you and one for me. There is a template for the Planning Document in word on the CD in the back of your book and on the Blackboard course web site. I do not take late planning documents or electronically submitted planning documents. We will grade at least two planning documents during the quarter, typically more.

Points for planning documents generally will be: 3 for excellent, 2 for some improvement needed, 1 for turned it in, 0, no document. I typically throw out the lowest grade on planning documents. We will post notes on how the planning documents for an exercise were graded on the class web site the day we turn them back to you.

Midterm (35%)

There will be a midterm exam on **October 29, 2009**. The exam will cover the concepts discussed in class to date and the readings. The exam will ask you to apply concepts to negotiation situations much as in the class debriefings. The

exam will be short answer and I will post sample questions on the class web page. You will be able to download the exam from the website and use your computer. The exam is closed book, closed notes, in class.

Paper (35%)

A final paper on an international negotiation topic is due **at 6 pm on Monday of exam week (12/7/09)**. The paper should be about 10 pages of analysis. You may work in groups of about 2 to at most 3 people. 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.

I will ask you to post a paragraph about your topic on the class web site bulletin board and I will give you feedback on the idea. I want every paper topic to be A level potential.

Papers usually take a few pages to set up and describe the situation. Tables with time lines and parties, positions, and interests help preserve space for analysis (and don't count against the page limit). Usually the best papers result from choosing a situation that could have benefited from better negotiation strategy. After analyzing the situation, say what should have been done or could have been done. Other good papers result from an in-depth analysis of why a negotiation went well. These situations provide an opportunity for developing strategic advice that can be used in other situations having a similar structure.

There is a file of old papers on the class web site.

Grading is 5 points for organized clear writing, 5 points for research (please provide references and citations), 10 for using negotiation concepts correctly, 10 for insight and analysis. You will receive a grading form along with written commentary from me on your paper.

