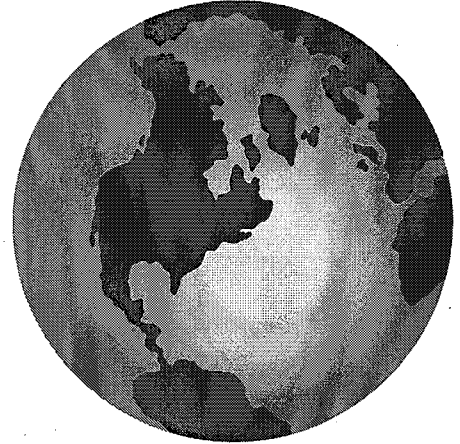


IBUS: International Negotiations 734
University of South Carolina
Spring 2007

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Overview

Much managerial activity involves bargaining, negotiation, and settling of disputes. Managers bargain with superiors, peers, and subordinates; suppliers and customers; competitors and allies. Effective negotiation can improve outcomes for everyone involved. Ineffective negotiation, in contrast, usually leads to poor outcomes for those who negotiate poorly, can also lead to poor outcomes for others, and sometimes result in failures to agree even when agreement is possible.

The purpose of *International Negotiations* is to help you understand the theory and processes of negotiation. Furthermore, we will investigate issues that can be particularly troublesome when negotiating in the global setting. These include: culture (the unique character of a social group) and how it affects negotiators' interests and priorities and strategies, what to do when a government is at the table, currency issues, and ethics.

Objectives

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 same strategic perspective. One objective of this course is to expand the model of negotiation taught in the standard negotiations course across cultures. Additional objectives include:

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

Format

The course is built around a series of negotiation exercises, cases, and debriefings. Almost all exercises require preparation in advance. Some exercises require students to prepare outside of class as a team. Students are expected to be fully prepared for exercises prior to class and to participate in the debriefings.

The negotiation exercises involve role-playing. Role-playing is not acting. You will receive a packet of information you need to negotiate a scenario. In preparation, you will decide how to combine the information given with effective negotiation strategies to reach your target outcome. Then you will meet with the other parties (played by other students) and negotiate the case. In some exercises you may be assigned the role of another culture. In other words, the information you receive will include information on how someone from the culture you represent would approach the situation. While none of us can fully turn our culture on and off or “play” another culture, such perspective-taking exercises are effective tools for learning how people in other cultures negotiate and what you might encounter at a cross-cultural negotiation table.

In the debriefings, we will share the results of our negotiations and discuss strategies that worked and strategies that didn't. This course offers you an opportunity you won't find in real world negotiations: to see the other side's outcome and the outcomes of others in your same role. The debriefings provide a unique environment for us to delve into what happened at the negotiation table and why it happened. Consequently, you should not agree to any deal you are not willing to share with the rest of the class.

Negotiation Exercise Code of Conduct

- You are expected to be prepared and on time for all negotiation exercises (see the attendance policy under **class participation**).
- You may not show your confidential role instructions to the other parties, though you are free to discuss anything you wish.
- You may not make up facts or information that materially change the power distribution of the exercise.
- It is not appropriate to discuss cases with people outside of class.
- Class discussion stays in class.

Course Materials

The majority of the readings for the class will be from two books that are available in the bookstore: Brett's Negotiating Globally (DO NOT READ AHEAD IN THIS BOOK. The data in the book will be used throughout the class to provide cultural benchmarks) and Fisher, Ury, and Patton's Getting to Yes. Additional readings are in the course packet available at the bookstore. ***You are to read assignments after class, unless otherwise noted.***

Our negotiation cases come from a variety of sources, most are provided by Kellogg's Dispute Resolution Research Center and Harvard's Program on Negotiation. There is a usage fee for Kellogg's and Harvard's exercises as well as a cost to copy all case materials. **This fee will need to be paid in full to the Universal Copy shop (1120 College St. 254-8931) by the Friday of the first week of class. You will not receive the materials for your first negotiation (or any subsequent negotiation) until you have paid the fee.**

Course Requirements & Grading

Participation (40%)

There are four components to your class participation grade: attendance, participation in class discussion, planning documents, and country reports. Each component is described below.

Attendance. You are expected to participate in all negotiation exercises. You may miss one negotiation exercise without penalty if you notify me in advance (24 hours). *After two missed classes your course grade will be reduced by one-half letter grade. Failure to contact me (even if this is your first miss) will result in a penalty of one-half letter grade.* You may be asked to provide a substitute for the exercise. Lack of preparation for an exercise will be treated like an absence for that exercise.

You are expected to attend all class meetings during the time for which you are enrolled. You are expected to be on-time and prepared for class. Negotiations take place during the first part of the class. If you are not there when negotiations begin, I will assume that you will not be attending class and I will reassess your partner. This will count as an unexcused miss.

Many of the negotiation exercises are stylized versions of negotiations in the real world. You should treat the exercises as seriously as you would outside the classroom. If you are frivolous about what we do, you will learn less and limit your classmates' opportunities to learn. You should try to do well. You should not demean the exercises or the people with whom you negotiate. You should consider the consequences of your actions within the guidelines of the exercise and what they might be in actual professional situations.

Planning Documents. You will learn throughout the course that preparation is an essential component of successful negotiations. In the second session, we will discuss effective planning strategies. You will then create your own planning document as you prepare outside of class for the Cartoon case in week 4. You should use the planning document you develop in preparation for all subsequent negotiations. As evidence of your preparation, you will hand in your planning document at the beginning of class, prior to negotiation each week.

You should bring 2 copies of your planning document to class: one to hand in prior to negotiation and one to take with you to the negotiation.

Class Discussion. You are expected to contribute to class discussion. You will be evaluated on the quality (not quantity) of your contributions and insights. Quality comments should:

- Offer a unique and relevant perspective.
- Contribute to moving the discussion and analysis forward.
- Build on others' comments.
- Transcend the "I feel" syndrome; include evidence, demonstrate recognition of basic concepts, and integrate these with reflective thinking.

Country Reports

In groups of 3 people, you should prepare a 10-minute class presentation on Negotiation in Nation "X". You may choose any nation EXCEPT the US, France, Japan, and Russia (which we will be covering in detail in class). For your presentation, you will be Negotiation Consultants preparing your clients (the class) for their first negotiations in Nation "X". You should address negotiation norms including protocol, typical strategies, timing, decision making systems, etc. For reference materials,

you should check the library and popular press, on line reference tools, consult with JGSM and Cornell international student clubs, consider interviewing classmates, and borrow materials from my office. Presentations will be during class periods on 3/21 and 4/2 – 4/16. You should choose your own groups and let me know your preferred nations (top 3) and presentation date as soon as possible (2/5 in class at the latest). Both nations and presentation dates will be assigned on a first-come first-serve basis.

Midterm (25%)

In session 15 (3/7) we will have an in-class, closed book midterm on the basic concepts covered in the course to date. To prepare for the midterm, you should have a thorough understanding of all the concepts covered in class and a familiarity with additional concepts covered in the readings.

Capstone Exercise (Total 35% - breakdown below)

In the final weeks of the semester, you will take part in a 3-stage team negotiation. This is an opportunity for you to put what you have learned about negotiation planning, strategy, and process into practice in a complex, large-scale international negotiation. For the exercise, you will be assigned teams of 3-4. In your teams, you will prepare and negotiate two rounds of a negotiation. Prior to the negotiation you will receive individual confidential role instructions and then meet as a team to coordinate your strategy. As in real world negotiations, you will not receive information on the other party or other teams' outcomes in between negotiation rounds.

Your team will be responsible for completing two written assignments in conjunction with the capstone exercise: round 1 scoring system, round 2 post-negotiation analysis. The entire project will constitute 40% of your final grade.

Capstone: Round 1 Scoring System (10%):

In planning for round 1 of the negotiation, you will read Raiffa's chapter on quantifying issues to help identify trade-offs. You will then prepare a quantified scoring system for the upcoming negotiation. Your scoring system should clearly identify the issues you plan to put on the table in quantified order of priority. Then, you will quantify the acceptable values for each issue. You should provide a value for your target and your reservation. Finally, you will construct and calculate several acceptable package deals.

Capstone: Round 2 Post-negotiation Analysis (25%):

After you negotiate round 2, your team will write a post-negotiation analysis that asks you to apply major concepts learned in class to your negotiation experience. This assignment will be handed out week 13 and is ***due no later than Monday May 7, 5:00 pm***. Questions and instructions will be distributed in class. Papers should be no more than 12 pages, double spaced, of analysis. Please use New Times Roman 12 point font. Margins on all sides should be no more or less than 1 inch. Failure to follow these formatting rules will result in a one-half letter grade reduction on the analysis. Because the assignments are team-based, each member of your 3-4 person team will receive the same grade for your written work.

Session 11 **Culture and Dispute Resolution**
2/21

In-Class: Debrief “Summer Interns”

Read After Class: Brett Chapter 3

Case Preparation: “Paradise”

Session 12 **Third Parties**
2/26

Due: Planning document for “Paradise” (assume you are *not* the third party)

In-Class: Negotiate “Paradise”

Country Reports 2

Session 13 **Third Parties**
2/28

In-Class: Debrief “Paradise”

Country Reports 3

Read After Class: “Getting to Know Your Conflict”; “Mediation”

Session 14 **Mediation**
3/5

In-Class: Film “Prosando”

Session 15 **MIDTERM EXAM**
3/7

Case Preparation: “Mouse”

Session 16 **Multi-party Negotiations**
3/19

Due: Planning document for “Mouse”

In-Class: Negotiate “Mouse”

Session 28
4/30

Wrap-up

In-Class: Wrap-up

Final Case Analysis

Due No later than 5 pm 5/07/07
