



aisam2011

Asian Intensive School for Advanced Management

June 27 to July 8, 2011

ANBS. Australian National Business School Limited

**STRATEGIC NEGOTIATION
For International Business**

UNIT OUTLINE

Welcome

Welcome to Strategic Negotiation for International Business.

This unit will explore the 'how' and the 'why' of negotiation. It will provide you with an understanding of the dynamics of the agreement reaching process that will enable you to manage your own negotiations across a wide range of contexts.

The unit will draw on research findings, theoretical frameworks and practical experience to develop a strategic approach to negotiation. One of the central themes will be an examination of the real nature of cooperation in negotiation; another will be the importance of creating a negotiating 'script' to guide the process through to an agreement.

You will be expected to participate in a number of negotiation exercises (typically based on actual negotiations) and other learning tasks to gain insights into the application of theory into practice. This 'theory into practice' approach will encourage you to develop a strategic rather than reactive perspective to the challenge of reaching an agreement through negotiation.

An understanding of cultural differences will be assumed. The unit will examine how these cultural differences interact with other characteristics of negotiation at both the strategic and process levels of negotiation.

Ray Fells

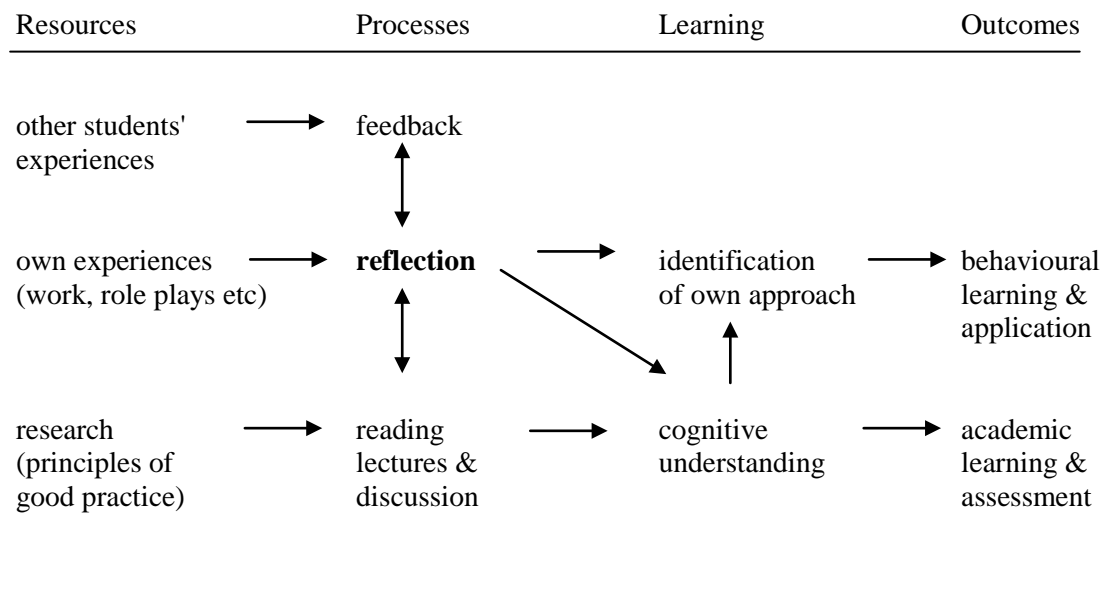
Lecturer profile: Professor Ray Fells

Ray Fells' background is in industrial relations where he worked as an adviser and conciliator assisting managements and unions deal with issues and resolve disputes. He has published widely on topics ranging from an oral history of the Pilbara iron ore industry to the use of strategy and language in negotiation. He has taught negotiation on the MBA program at the University of Western Australia Business School (where he has twice been recognised as the best postgraduate lecturer), at the Judge Institute of Management, Cambridge University, at Macquarie Graduate School of Management and on the international program at the Vienna University Business School. He presents negotiation workshops for a wide variety of organisations and continues to serve as a mediator.

The learning approach

The unit will involve a high degree of participation from you through a range of class-room and other activities. Skilled negotiators are known to engage in reflective learning and so the unit is designed to assist you develop this important skill.

The approach to learning which underpins the structure of this unit is shown in the following diagram:



Learning outcomes

The aim of the unit is to assist you develop your understanding of how agreements are actually reached. On completion of this unit, you should:

- know the core elements of negotiation
- understand and be able to distinguish the core strategies and tasks involved in achieving a negotiated outcome
- be able to analyse and prepare for a forthcoming negotiation
- be aware of the individual behavioural skills involved in face to face negotiation, including cross-cultural perspectives
- be able to develop a negotiation script that will help you manage a negotiations (and deadlocks) through to an agreement
- be able to critically examine the literature on the subject of negotiation and so continue learning about negotiation

and

- through case studies, negotiation role plays and other practical exercises, have enhanced your skill level for a wide variety of negotiation situations.

Session topics

Please note that these session topics are indicative. In addition to the company visit is anticipated that students will have access to other experienced business negotiators through two formal sessions and informally at other times during the course of the week.

Session 1

Monday morning: 9.30 – 1.00

Introduction

Why is negotiation so complex?

This first session will explore some of the core dynamics of negotiation. It will also involve some self-reflection.

Negotiation exercise: Arak and Barkan:

An exercise to explore practical aspects of competition and cooperation in negotiation

Background reading: Fells (2010) chs.1 and 2

Deutsch (1990); Sebenius (2001) Watkins (1999) provide three different perspectives on negotiation research and practice

Session 2

Monday afternoon: 1.45 – 3.30

Developing a strategic approach

How do we know what strategy to adopt?

This afternoon session will focus on preparation and how to develop a strategic rather than reactive approach, particularly with regard to the issues under negotiation.

The Healthcare Case: A case study exercise to develop preparation skills

The notion of strategic choice

Power in negotiation

Pre-reading: The Healthcare Case

Background reading: Fells (2010) ch.3 (and ch.2 again)

Essence session

Monday afternoon: 4.00 - 5.00

An introduction to other AISAM electives

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Session 3

Tuesday morning: 9.00 – 11.00; 11.30 – 1.00

The process of negotiation

How do we manage the process?

This session will look at what needs to be done to reach an agreement, how these tasks may be done and when best to do them.

Phases and tasks in negotiation

Why negotiations reach a deadlock (and what to do if that happens)

Developing a negotiation script

Managing negotiation on behalf of others – why is it so difficult?

Background reading: Fells (2010) chs.4 and 5 (but also 6, 7 and 8, which are best read later)

Rackman and Carlisle (1978) provide distinctive insights into what skilled negotiators do while

Olekals, Brett, and Weingart (2003) is an example of experimental research into the negotiation process.

Session 4

Tuesday afternoon: 1.45 – 3.45; 4.15 – 5.00

The process of interaction in negotiation

How do we improve the way we speak and listen?

The first part of this session will focus on the processes of verbal interaction and how they might be managed effectively.

Negotiation exercise: Bookdeal

An exercise in the language of negotiation

Developing cross cultural profiles

What effect does culture have on how agreements are reached?

The second part of this afternoon's session will build upon the previous sessions to examine how a cultural perspective might be built into our understanding of the core dynamics of the negotiation process.

The impact of culture on the negotiation process

Group work to develop cultural profiles (Assessment task 1)

Background reading: Fells (2010) ch.10

Brett and Gelfand (2006) provide a well organised review of the formal research into the impact of culture on negotiation (best read after the session). Salacuse (1998) and Sebenius (2002) provide more general reviews.

Negotiation panel

Experienced negotiators will share their thoughts on how to negotiate effectively. The panel discussion will include time for questions.

Evening: students may be involved in group work on cultural profiles

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Session 5

Wednesday morning: 9.00 – 10.30; 11.00 – 12.00

Presentation of cultural profiles (Assessment task 1)

The student groups will present their cultural negotiation profiles which will provide a basis for further exploration of the practical effect of culture on how negotiations are conducted.

Managing competitive negotiations

How can we achieve good outcomes in competitive situations?

The major focus of this morning's session will then be on achieving good 'value claiming' outcomes and on how to manage the inevitable competitiveness in negotiation.

Negotiation exercise: The BondForm Make-over Contract
A major exercise that focuses on managing the negotiation 'end game'.

Pre-task: familiarisation with the background information for the BondForm exercise

Background reading: Fells (2010) ch.8; Appendix 6
Mnoonkin, Peppet and Tulumello (2000) ch.1

Session 6

Wednesday afternoon: 1.00 – 3.45; 4.00 – 5.00

Company visit

It is anticipated that students will make a visit MEI Project Engineers to learn from the experience of a successful business negotiator.

Following this visit the class will meet to debrief the visit.

Organisation of the topics for the Thespian presentations (which will occur on Friday morning)(Assessment task 3).

Session 7

Thursday morning: 9.30 – 11.00; 11.30 – 1.00

Managing value creation and value claiming in negotiation

How do negotiators effectively uncover interests?

This session will revisit the question of how to be both competitive and cooperative in a negotiation and how to manage both dynamics to achieve a good outcome.

Negotiation exercise: Island Queen:
A major exercise that requires contrasting strategies to be applied to maximise the outcome.

Pre-task: familiarisation with the background information for Island Queen exercise

Background reading: Fells (2010) chs.6 and 7
Fisher, Ury and Patton (1991)'s Getting to Yes, reviewed by Thompson and Leonardelli (2004) is probably the most popular model of negotiation.

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Session 8

Thursday afternoon: 1.45 – 3.15; 3.45 – 5.00

Managing complex negotiations

Why is negotiating on behalf of others so difficult?

The first part of this afternoon's session will consider how the presence of constituencies impacts upon the agreement reaching process.

What are the characteristics of good negotiations?

The class will examine the strategies and tactics that are needed to manage significant negotiations through case study analysis and presentations (Assessment task 2).
The business negotiators will participate in this case study exercise.

Pre-task: familiarisation of the Airline, Telco and other cases

Background reading: Fells (2010) ch.9; Appendices 7 and 8

Halpert et al (2010) reviews the experimental research on negotiation success

Evening: students may be involved in groupwork on the Thespian exercise.

Session 9

Friday morning: 10.00 – 11.30; 12.00 – 1.30

AISAM student presentations

Students from all three electives make presentations based on the content of their AISAM elective.

Strategic negotiation students will make presentations on key elements in negotiation (the Thespian exercise, Assessment task 3).

Session 10

Friday afternoon: 2.15-2.45

Presentation debriefing and student learning review

What must I now do to manage the complexities of negotiation in practice

This final session will be an opportunity to review the key elements in effective negotiation and to develop personal action plans for future negotiations and on-going learning.

This session will be followed by a joint session of all students to review the AISAM program.
Friday afternoon.

Session 11

Friday afternoon: 2.45 – 4.00

Student Evaluation Questionnaire for program and electives

- Open debriefing
 - Concluding address
 - Presentation of AISAM Certificates
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Assessment

The assessment tasks are an important part of the learning process. There will be three assessable learning tasks during the week and one reflective assessable task that must be completed after AISAM.

1. Developing a cultural profile

Marks: 15% of the total marks for the unit

Presentation: Wednesday morning

One of the dangers in a cultural approach to negotiation is the risk of generalisation of cultural characteristics and assuming they apply in the negotiation context. A different approach is to 'narrow down' the cultural influences to determine their impact on the process and tasks involved in negotiation. This can be done using a cultural profile template. The impact of Australian culture on how Australians negotiate, and how others should negotiate with Australians, provides an example of the approach.

Students, in small groups, will select a focus country. Using their background knowledge of cultural difference and with further research, each group will complete the template in respect of their chosen country.

The student groups will make a short presentation of their chosen country's cultural negotiation profile to the class as a whole as a basis for further discussion.

Each group should provide the lecturer with a ppt version of their template. The various templates will be combined to form a resource, should any students ever have to negotiate with people from one of the countries

2. Case study analysis

Marks: 15% of the total marks for the unit

The unit materials contain a number of case studies of actual negotiation. Students, in groups, will be required to review these cases, and in particular the Airline and Telco Cases.

First identify key points in the negotiations that were either helpful, or seemed to hinder progress towards an outcome.

Secondly, using specific examples from the cases (or from other sources) draw up a list of negotiation strategies and tactics that negotiators should follow to manage their negotiations effectively. The group will be required to present, and justify this list in class.

Each group must provide a two or three page document outlining and justifying their chosen strategies and tactics.

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3. Thespian exercise

Marks: 25% of the total marks for the unit

Presentation: Friday morning

Working in groups, students will be required to develop presentations that demonstrate, in a practical context, key elements of the negotiation process. Each group will demonstrate a different aspect of negotiation.

The basis of the task, as a learning exercise, is that the best way to learn something is to have to demonstrate it to someone else.

Following the company visit on Wednesday afternoon, we will discuss possible demonstration topics. For example, the class may decide to demonstrate some or all of the six unhelpful habits identified by Sebenius, and show how they should be done properly. Another option would be to demonstrate the different elements of negotiation's DNA. Or the differences between creating and claiming value. Or poor/good interaction skills, or how the notion of phases works in practice, or how to manage a competitive negotiator etc etc.

Each group will make its presentation (of about 15 minutes) during the Friday morning session when students from all three electives make presentations on what they have learned.

Each group will also be required to submit a three to four page written summary of their presentation that highlights the practical implications of the chosen aspect of negotiation.

4. Individual reflective assignment

Marks: 45% of the total marks for the unit

Submission date:

For this assignment, you are required to submit a practical reflection on your experience in this negotiation class. The intent is that you can provide a response to the following questions:

What? How? When? and Why?

What are the key things I have learned about negotiation? **How** am I going to apply what I have learned? **When** am I going to apply it? **Why** do I think it is a good thing to do?

This assignment will enable you develop your reflection skills and review your understanding of models, strategies and behaviour in negotiation, and show how this will assist you in your future negotiations.

Assessment Criteria

Each student's reflection will be different and it is not my intention to constrain or inhibit your learning journey by prescribing a format or setting guidelines. Therefore there are no precise assessment criteria. However, in reading about what you believe you have learned I am quite likely to be thinking to myself about questions such as these:

- What evidence is there here that this student has actually learned something? and that they are likely to do something different as a result?

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- Is the analysis reasonable? Is there some justification for the practical implications which are suggested?
 - Did this student read anything on negotiation? Perhaps it is just from the textbook, or from the readings; alternatively, has he or she gone on a learning journey through the literature and found something really insightful and worked out how it can be applied in their own context?
 - Would the student be prepared to hand this document to her or his boss as an example of why they believe they should be awarded a salary increase?

The richness of what you are able to present will relate directly to the extent of your reflection during the course of the week at AISAM. There is no word limit to this assignment. However for the purposes of assessment (and, incidentally, for improving your own negotiation skills) a sharply focused and deep review is likely to demonstrate genuine reflected learning far more than a long, meandering and shallow account of the unit. Perhaps 2,500 words will suffice.

I also offer the following advice, based on my past experience of marking assignments.

An assignment which relies on dot points or single sentence paragraphs will **NOT** be well received. This style of presentation is appropriate in a number of situations but it does not help the writer demonstrate a depth of understanding or analysis. It is therefore viewed as being inconsistent with the learning approach of a Masters level unit.

Further, having just 5 or 6 references does not really convey the impression of comprehensive background reading on the issues raised in the research papers. Direct quotes from an article or book should be referenced to the specific page. You will find that an assignment with headings generally has a better structure, develops points more fully and is less repetitive than one with few or no headings. Finally, since I'm not an executive, I don't need an executive summary.

Please take note of my advice to avoid disappointment, as this assignment is the major piece of work for this unit.

Grading and results

You will be assessed in accordance with the grading scale – both numeric and alphabetical – specified by your home University.

Your home university will determine your final grades for your AISAM 2009 studies and advise you of those grades. The ANBS Office and I are prohibited from giving you your grades. Your grades will only be communicated to you by your home university.

Learning materials

Textbook

The textbook for this unit will be

Fells, R. E. (2010) Effective Negotiation From Research to Practice published by Cambridge University Press.

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- Sebenius, J.K. (2001) 'Six Habits of Merely Effective Negotiators' Harvard Business Review, April, pp.87-95.
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- Watkins, M. (1999) 'Negotiating in a Complex World' Negotiation Journal 15(3), pp.245-70.

Other resources

The following materials will also be provided:

Cultural profile template

Background information for negotiation exercises

The BondForm Make-over Contract

The Island Queen

Case studies

Airline

Banker

Healthcare

IT Company Sale

Merger

Telco

Tanker

Other useful references

- Adair, W. L. and Brett, J. M. (2004) 'Culture and Negotiation Processes' in Gelfand, M. J. and Brett, J. M. (eds) The Handbook of Negotiation and Culture Stanford Business Books, Stanford CA., 158-176.
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