

BUSI 3706 A
International Business Negotiation
Winter 2014

José I. Rojas-Méndez
925 Dunton Tower
Tel. 520-2600 ext. 8014

Class meets: Friday 14.35 – 17.25
Location: Southam Hall 502
Office hours: Monday 3.00 – 4.00 pm

e-mail: jose.rojas@carleton.ca

I. INTRODUCTION

The explosion of international business activities has had a marked impact on our lifestyles, income and on the economic environments in general. Companies are forced to seek international trade and investment opportunities in distant markets. Doing business overseas is, however, still considered to be a difficult task. Often we hear stories about unsuccessful encounters between business executives from different cultures mainly because they are not able to communicate and negotiate effectively with each other.

Treating negotiations as a technique that can be learned and adapted to international business relations, this course deals with three main inter-related themes:

- 1) Conflict resolution
- 2) The cross-cultural communication and management of cultural differences in international business deals
- 3) Business negotiation skills and tactics.

II. LEARNING OBJECTIVES

The key learning objective of this course is to familiarize participants with problems in cross-cultural communication and negotiations. This will encompass both theoretical and practical aspects of negotiations. Having completed this course, the participants will acquire skills to handle international business negotiations more efficiently. Students will also get the chance to experience 'live' negotiations first hand through case studies and a role play.

By the end of this course unit, students should:

- Be able to analyze problems and issues in cross-cultural communications, particularly in an International business context.
- Be able to understand why conflicts arise and how these can be managed.
- Gain an insight into the key skills required to handle business negotiations in an international context.
- Be able to identify and critically evaluate ethical issues surrounding business negotiations in a managerial environment.
- Be able to critically analyze and handle issues and problems related to international business negotiations.

II. PREREQUISITES

Second-year standing and BUSI 2701 or BUSI 2702 with a grade of C- or higher in each.

III. READING MATERIALS

Text: Lewicki, R. J., Barry, B., Saunders, D. M., and Tasa, K. (2011). Essentials of Negotiation (Canadian Edition). McGraw-Hill Ryerson.

IV. METHOD AND EVALUATION

1. Class Participation (CP) (25%)

CP is the classroom equivalent to professionals' participation in meetings. It is an important part of success in this course and is a specific assignment, not an option. Effective participation means (a) active, (b) substantive, and (c) continuous contribution. In other words, occasional nonsubstantive comments or questions will not meet the requirements of this assignment. Performance is assessed by the instructor based on each participant's contribution, which may take the form, among others, of raising or answering questions, offering comments, enriching the class with relevant items of interest from the media or personal experiences, taking part in brief in-class and/or take-home quizzes, cases, or other exercises, and overall effort throughout the term. To participate, one has to be in class; so, while there is no specific requirement for attendance, it also affects the CP evaluation.

2. Two in-class tests (40%)

These tests will help consolidate the knowledge that you acquire during the course. The format will be short essay and each test will take about 90 minutes.

3. "Understanding Business Negotiation" project (UBNP) (35%)

The purpose of this project is to gain a better understanding of business negotiations by writing a short essay that will enable you to: (a) focus on a subject of your choice within the overall field; (b) learn about your chosen topic by drawing information from a number of cognate disciplines, so that you can broaden the perspective offered by the assigned text; and (c) learn about business negotiations. The specific requirements are:

- a) The assignment will be handled on a team basis (team size tbd).
- b) The title of each team's paper will be "Negotiations and XYZ", where "xyz" will stand for the specific topic you chose. Sample focus areas for defining "xyz" may be found in the Appendix A. Topic selections must be pre-cleared with me.
- c) Content: Within the chosen topic, the focus will normally be on explaining the type of relation that exists between business negotiations and the specific subject you chose. Theoretical explanations as well as real examples are welcomed. Please write the

paper (essay) following the APA style (letter-size paper, with 2.5 cm margins all-round, in Times-Roman 12, Arial 11, or equivalent font).

- d) Each team must submit a paper summarizing its research on the chosen topic. The paper must be submitted both in hard copy and by email. It must be no longer than five (10) pages (single space) plus appendices and references, and must be based on a bibliography containing a minimum of two (2) articles from academic journals per team member. Of the total number of articles, up to one-half may be drawn from those in Appendix A; the remainder must be identified by the team members based on a search of the literature.
- e) Each team must also be prepared to present with the help of ppt slides the findings from its research in class during a session dedicated to this purpose.
- f) Please see the Appendix A for suggested sources for this assignment.
- g) Cheating, plagiarism, and other instructional offences are not tolerated and can have severe penalties (please see the University's statement on plagiarism below).
- h) For the in-class tests, you can bring a single sheet of letter-sized paper with notes on one side only providing they can be read without magnification tools.
- i) Each student must submit, by Session 12, an independent evaluation of each team member's (including self) contribution to the UICP and ICB projects, on a form that I will supply. If the mean mark given a student by his/her colleagues is at considerable variance (lower or higher) from his/her marks for other class work (tests, CP, individual UICP brief), then his/her team project marks will be adjusted accordingly.
- j) All assignments are normally marked and returned in-class one week after submission, and, in case a student is absent when an assignment is returned, are available for pick-up thereafter during office hours. (Assignments submitted during the last week of classes can be picked up during office hours starting two weeks after their submission and for the remainder of the term.)
- k) Supplemental and grade raising examinations are not available in this course.
- l) Deadline extensions will not be granted, late assignments will not be accepted, and missed tests, quizzes, etc. will not be rescheduled except for university-approved reasons (e.g., on medical grounds and with appropriate documentation). "Please note, that in this course, in all occasions that call for a medical certificate you must use
- m) The above evaluation plan may have to be changed if changing class conditions so warrant.

V. CLASS SCHEDULE

This schedule may be modified depending on the level of interest in the subjects to be discussed. It is each participant's responsibility to keep up to date with the overall progress of the course as the term unfolds, and with any specific changes announced in class.

| Session | Theme | Text chapter | Assignments* |
|----------------|--|---------------------|----------------------------|
| 10.01.14 | Course introduction and overview The nature of negotiations | 1 | Form teams Select topic |
| 17.01.14 | Distributive and Integrative negotiation | 2 - 3 | |
| 24.01.14 | Planning & Strategy Perception, Cognition, and Emotion | 4 - 5 | |
| 31.01.14 | Communication Process and outcomes Power and Persuasion | 6 - 7 | |
| 07.02.14 | Group Presentations "A" | | Hand-in Written Reports |
| 14.02.14 | In Class Test 1 | 1 - 7 | Test 1 |
| 28.02.14 | Disputes and third-party help Ethics in negotiation | 8 - 9 | |
| 07.03.14 | Multiparty and Team negotiation | 10 & new 11 | |
| 14.03.14 | International and Cross-cultural negotiation | 11 | |
| 21.03.14 | Best practices Salary negotiation | 12 | |
| 28.03.14 | Group Presentations "B" | | Hand-in Written Reports |
| 04.04.13 | In Class Test 2 | 1-12 | Test 2 |

General Information

Required calculator in BUSI course examinations

If you are purchasing a calculator, we recommend any one of the following options: Texas Instruments BA II Plus (including Pro Model), Hewlett Packard HP 12C (including Platinum model), Staples Financial Calculator, Sharp EL-738C & Hewlett Packard HP 10bII

Group work

The Sprott School of Business encourages group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, follower-ship and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Your professor may assign one or more group tasks/assignments/projects in this course. Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

Medical certificate

Please note that in all occasions that call for a medical certificate you must use or furnish the information demanded in the standard university form.

<http://www1.carleton.ca/registrar/forms/>

In accordance with the Carleton University Undergraduate Calendar (p 34), the letter grades assigned in this course will have the following percentage equivalents:

| | | | |
|--------------|---------------------------------|-------------|-------------|
| A+ = 90-100 | B+ = 77-79 | C+ = 67-69 | D+ = 57-59 |
| A = 85-89 | B = 73-76 | C = 63-66 | D = 53-56 |
| A - = 80-84 | B - = 70-72 | C - = 60-62 | D - = 50-52 |
| F = Below 50 | WDN = Withdrawn from the course | | |

ABS = Student absent from final exam

DEF = Deferred (See above)

FND = (Failed, no Deferred) = Student could not pass the course even with 100% on final exam

Academic Regulations, Accommodations, Etc.

University rules regarding registration, withdrawal, appealing marks, and most anything else you might need to know can be found on the university's website, here:

<http://calendar.carleton.ca/undergrad/regulations/academicregulationsoftheuniversity/>

Requests for Academic Accommodations

Academic Accommodations for Students with Disabilities

The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or pmc@carleton.ca for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your **Letter of**

Accommodation at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (*if applicable*). After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the PMC website for the deadline to request accommodations for the formally-scheduled exam (*if applicable*).

- The deadlines for contacting the Paul Menton Centre regarding accommodation for final exams for the December 2013 exam period is November 8, 2013 and for the April 2014 exam period is March 7, 2014.

For Religious Obligations:

Students requesting academic accommodation on the basis of religious obligation should make a formal, written request to their instructors for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory event.

Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student.

Students or instructors who have questions or want to confirm accommodation eligibility of a religious event or practice may refer to the Equity Services website for a list of holy days and Carleton's Academic Accommodation policies, or may contact an Equity Services Advisor in the Equity Services Department for assistance.

For Pregnancy:

Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete a letter of accommodation. The student must then make an appointment to discuss her needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

Academic Integrity

Violations of academic integrity are a serious academic offence. Violations of academic integrity – presenting another's ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized co-operation or collaboration or completing work for another student – weaken the quality of the degree and will not be tolerated. Penalties may include expulsion; suspension from all studies at Carleton; suspension from full-time studies; a refusal of permission to continue or to register in a specific degree program; academic probation; and a grade of Failure in the course, amongst others. Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy which is available, along with resources for compliance at <http://www2.carleton.ca/sasc/advisingcentre/academic-integrity/>.

Assistance for Students:

Student Academic Success Centre (SASC): www.carleton.ca/sasc

Writing Tutorial Services: <http://www1.carleton.ca/sasc/writing-tutorial-service/>

Peer Assisted Study Sessions (PASS): www.carleton.ca/sasc/peer-assisted-study-sessions

Important Information:

- Students must always retain a hard copy of all work that is submitted.
 - All final grades are subject to the Dean's approval.
-

- Please note that you will be able to link your CONNECT (MyCarleton) account to other non-CONNECT accounts and receive emails from us. However, for us to respond to your emails, we need to see your full name, CU ID, and the email must be written from your valid CONNECT address. Therefore, it would be easier to respond to your inquiries if you would send all email from your connect account. If you do not have or have yet to activate this account, you may wish to do so by visiting <https://portal.carleton.ca/>
-

SAMPLE SOURCES FOR THE UICP (UPDATED JANUARY 2013)

(The books and articles below, as well as the course textbook, contain numerous other references to additional relevant sources in their bibliography lists.)

A. Books (A & B)

- Cavusgil, T., Ghauri, P. & Akcal, A. (2013), *Doing Business in Emerging Markets*, second edition, Sage, London.
- Fisher, R. & Ury, W., (1999), *Getting to Yes: Negotiating Agreements without Giving In*, 2nd edition, Random House, London.
- Fisher, C. & Lovell, A., (2006), *Business Ethics and Values*, 2nd edition, FT Prentice Hall, London.
- Kremenyuk, V.A., (2002), (Ed) *International Negotiation – Analysis, Approaches, Issues*, Jossey Bass, 2nd Edition.
- Raiffa, H., (1993) *The Neutral Analyst: Helping Parties to Reach Better Solutions*, in Hall, L., (Ed.), *Negotiation*, Newbury Park: Sage: pp. 14-27.
- Strauss, D., (1993) *Facilitating Collaborative Problem Solving and Process Management*, in Hall, L., (Ed.) *Negotiation*, Newbury Park: Sage: pp. 28-40.
- Weiss, J., (2003), *Business Ethics*, 3rd edition, Thomson, Ohio.

B. Articles in Peer-reviewed Academic Journals

(All journals cited are available online via the Carleton University library.)

Negotiation & Ethics (B)

- Al-Khatib, J. a., Malshe, A., Sailors, J. J., & Iii, I. C. (2011). The impact of deceitful tendencies, relativism and opportunism on negotiation tactics: a comparative study of US and Belgian managers. *European Journal of Marketing*, 45(1/2), 133–152.
- Al-Khatib, J. a., Vollmers, S. M., & Liu, Y. (2007). Business-to-business negotiating in China: the role of morality. *Journal of Business & Industrial Marketing*, 22(2), 84–96.
- Elahee, M., & Brooks, C. M. (2004). Trust and negotiation tactics: perceptions about business-to-business negotiations in Mexico. *Journal of Business & Industrial Marketing*, 19(6), 397–404.
- Grzeskowiak, S., & Al-Khatib, J. a. (2009). Does morality explain opportunism in marketing channel negotiations?: The moderating role of trust. *International Journal of Retail & Distribution Management*, 37(2), 142–160.
- Malshe, A., Al-Khatib, J. a., & Sailors, J. J. (2010). Business-to-Business Negotiations: The Role of Relativism, Deceit, and Opportunism. *Journal of Business-to-Business Marketing*, 17(2), 173–207.
- Volkema, R., & Rivers, C. (2012). Beyond Frogs and Scorpions: Understanding Negotiating Counterparts' Ethical Motivations. *Negotiation Journal*, (October), 379–405.
- Zarkada-Fraser, A., & Fraser, C. (2001). Moral decision making in international sales negotiations. *Journal of Business & Industrial Marketing*, 16(4), 274–293.

Negotiation and China (B)

- Fang, T. (2006). Negotiation: the Chinese style. *Journal of Business & Industrial Marketing*, 21(1), 50–60.
- Leung, T. K. P., Chan, R. Y.-K., Lai, K., & Ngai, E. W. T. (2011). An examination of the influence of guanxi and xinyong (utilization of personal trust) on negotiation outcome in China: An old friend approach. *Industrial Marketing Management*, 40(7), 1193–1205.
- Ma, Z. (2007). Chinese Conflict Management Styles and Negotiation Behaviours: An Empirical Test. *International Journal of Cross Cultural Management*, 7(1), 101–119.

- Ma, Zhenzhong, & Jaeger, A. M. (2010). A comparative study of the influence of assertiveness on negotiation outcomes in Canada and China. *Cross Cultural Management: An International Journal*, 17(4), 333–346.
- Miles, M. (2003). Negotiating with the Chinese: Lessons from the Field. *Journal of Applied Behavioral Science*, 39(4), 453–472.
- Rivers, C. (2009). Negotiating With the Chinese: EANTs and All By. *Thunderbird International Business Review*, 51(5), 473–489.
- Shi, X. (2011). The impact of face on Chinese students' simulated negotiation practices with Americans. *Language and Intercultural Communication*, 11(1), 26–40.
- Woo, H. S., & Liu, J. (1990). Gender impact on Chinese negotiation: some key issues for Western negotiators. *Women in Management Review*, 16(7), 349–356.
- Woo, H. S., & Prud, C. (1999). Cultural characteristics prevalent in the Chinese negotiation process. *European Business Review*, 99(5), 313–322.
- Zhao, J. J. (2000). The Chinese Approach to International Business Negotiation. *The Journal of Business Communication*, 37(3), 209–236.

Negotiation and Competences (A)

- EI Shenawy, E. (2010). Does negotiation training improve negotiators' performance? *Journal of European Industrial Training*, 34(3), 192–210.
- Gettinger, J., Koeszegi, S. T., & Schoop, M. (2012). Shall we dance? — The effect of information presentations on negotiation processes and outcomes. *Decision Support Systems*, 53(1), 161–174.
- Rich, C. (2011). Viewpoint Successful negotiation is 80 percent. *Strategic Direction*, 27(3), 3–5.
- Taylor, K. A., Mesmer-magnus, J., & Burns, T. M. (2008). Teaching the Art of Negotiation: Improving Students' Negotiating Confidence and Perceptions of Effectiveness. *Journal of Education for Business*, (January/February), 135–140.
- Young, M. J., Bauman, C. W., Chen, N., & Bastardi, A. (2012). Organizational Behavior and Human Decision Processes The pursuit of missing information in negotiation. *Organizational Behavior and Human Decision Processes*, 117(1), 88–95.

Negotiation and Culture (A)

- Brett, J. M. (2000). Culture and Negotiation. *International Journal of Psychology*, 35(2), 97–104.
- Imai, L., & Gelfand, M. J. (2010). The culturally intelligent negotiator: The impact of cultural intelligence (CQ) on negotiation sequences and outcomes. *Organizational Behavior and Human Decision Processes*, 112(2), 83–98.
- Lin, X., & Miller, S. J. (2003). Negotiation approaches: direct and indirect effect of national culture. *International Marketing Review*, 20(3), 286–303.
- Liu, W., Friedman, R., & Hong, Y.-Y. (2012). Culture and accountability in negotiation: Recognizing the importance of in-group relations. *Organizational Behavior and Human Decision Processes*, 117(1), 221–234.
- Manrai, L. a., & Manrai, A. K. (2010). The Influence of Culture in International Business Negotiations: A New Conceptual Framework and Managerial Implications. *Journal of Transnational Management*, 15(1), 69–100.
- Metcalfe, L. E., Bird, a., Peterson, M. F., Shankarmahesh, M., & Lituchy, T. R. (2007). Cultural Influences in Negotiations: A Four Country Comparative Analysis. *International Journal of Cross Cultural Management*, 7(2), 147–168.
- Mintu-Wimsatt, A., & Madjourova-Davri, A. (2011). Reciprocal Cooperation and the Moderating Effect of Individualism: A Five-Country Negotiation Study. *Journal of Global Marketing*, 24(5), 385–396.
- Rosette, A. S., Brett, J. M., Barsness, Z., & Lytle, A. L. (2012). When Cultures Clash Electronically: The Impact of Email and Social Norms on Negotiation Behavior and Outcomes. *Journal of Cross-Cultural Psychology*, 43(4), 628–643.

- Schei, V., & Rognes, J. K. (2008). Collectively Valuable in Group Negotiations ? Group Processes & Intergroup Relations, 11(3), 371–385.
- Schei, V., Rognes, J. K., & Shapiro, D. L. (2011). Journal of Experimental Social Psychology Can individualists and cooperators play together ? The effect of mixed social motives in negotiations. Journal of Experimental Social Psychology, 47(2), 371–377.
- Triandis et al. (2001). International Journal of Cross Cultural Management. International Journal of Cross Cultural Management, 1(1), 73–90.
- Vieregge, M., & Quick, S. (2011). Cross-cultural negotiations revisited. Cross Cultural Management: An International Journal, 18(3), 313–326.
- Weiss, S. E. (2003). Teaching the cultural aspects of negotiation : a range of experiential techniques. Journal of Management Education, 27(1), 96–121.

Negotiation and Gender (B)

- Bear, J. B., & Babcock, L. (2012). Negotiation topic as a moderator of gender differences in negotiation. Psychological science, 23(7), 743–4.
- Canet-Giner, M. T., & Saorín-Iborra, M. C. (2007). The influence of gender role on negotiation development and outcome: A proposal for strategic alliance negotiations. Equal Opportunities International, 26(3), 209–231.
- Eriksson, K. H., & Sandberg, A. (2012). Gender Differences in Initiation of Negotiation : Does the Gender of the Negotiation Counterpart Matter ? Negotiation Journal, (October), 407–428.
- Faes, W., Swinnen, G., & Snellinx, R. (2010). Gender influences on purchasing negotiation objectives, outcomes and communication patterns. Journal of Purchasing and Supply Management, 16(2), 88–98.
- Florea, N. B., Boyer, M. A., Brown, S. W., Butler, M. J., Weir, K., Johnson, P. R., & Mayall, H. J. (2003). Negotiating from Mars to Venus: Gender in simulated international negotiations. Simulation & Gaming, 34(2), 226–248.
- Karakowsky, L., & Miller, D. L. (2006). Negotiator style and influence in multi-party negotiations: exploring the role of gender. Leadership & Organization Development Journal, 27(1), 50–65.
- Woo, H. S., & Liu, J. (1990). Gender impact on Chinese negotiation : `` some key issues for Western negotiators . Women in Management Review, 16(7), 349–356.

Negotiation and Personality (A)

- Al-Khatib, J. a., Vollmers, S. M., & Liu, Y. (2007). Business-to-business negotiating in China: the role of morality. Journal of Business & Industrial Marketing, 22(2), 84–96.
- Brooks, A. W., & Schweitzer, M. E. (2011). Can Nervous Nelly negotiate? How anxiety causes negotiators to make low first offers, exit early, and earn less profit. Organizational Behavior and Human Decision Processes, 115(1), 43–54.
- De Pauw, A.-S., Venter, D., & Neethling, K. (2011). The Effect of Negotiator Creativity on Negotiation Outcomes in a Bilateral Negotiation. Creativity Research Journal, 23(1), 42–50.
- Elfenbein, H. A., Curhan, J. R., Eisenkraft, N., Shirako, A., & Baccaro, L. (2008). Are Some Negotiators Better Than Others? Individual Differences in Bargaining Outcomes. Journal of research in personality, 42(6), 1463–1475.
- Kleef, G. A. Van. (2008). What Other ' s Disappointment May Do to Selfish People : Emotion and Social Value Orientation in a Negotiation Context. Personality and Social Psychology Bulletin, 34(8), 1084–1095.
- Ma, Z. (2008). Personality and negotiation revisited: toward a cognitive model of dyadic negotiation. Management Research News, 31(10), 774–790.
- Ma, Z., & Jaeger, A. M. (2010). A comparative study of the influence of assertiveness on negotiation outcomes in Canada and China. Cross Cultural Management: An International Journal, 17(4), 333–346.
- Malhotra, D., & Bazerman, M. H. (2008). Psychological Influence in Negotiation: An Introduction Long Overdue. Journal of Management, 34(3), 509–531.