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NEGAME: A CROSS-CULTURAL ROLE PLAY TO INTRODUCE STUDENTS TO THE FAMILIARIZATION STAGE OF NEGOTIATIONS

James W. Gentry, University of Nebraska-Lincoln
Diane Hambley, University of Nebraska-Lincoln

ABSTRACT

Caught up in the international experientialism found at the 1990 ABSEL Conference in Honolulu, we developed an extended role play for use in an international marketing course. Unlike most existing international simulation games, the role play does not emphasize issues such as transportation, tariffs, pricing, or exchange rates. Instead, the role play is designed to emphasize the familiarization stage of negotiations, and to demonstrate that the typical “get down to business” approach taken by Americans will lead to frustration.

In ABSEL, as in nearly every other area of business related academe, we have consistently heard the admonition to internationalize. However, before the 1990 conference, ABSEL has stressed international issues only sporadically. Many of these efforts were due directly to Dan Brenenstuhl, either through his own work (Brenenstuhl 1977, 1981; Brenenstuhl and Raveed 1978, 1979) or through other presenters on pane I which he developed (Brenenstuhl et al. 1983; Burden 1981: Maier 1981; Raveed 1981; Rue 1981). A reasonably systematic: search of the ABSEL. Proceedings finds only a few papers on international experiential learning and gaming (Axe 1989; Basuray and Blythe 1981; Bissada and King 1984; Connolly et al. 1978; Ehram 1982; Elliott 1978; Gohavi and Ward 1984: Jolly and Fairhurst 1986; Kidron 1974; Murray 1981; Snyder and Jursa 1982; Tansuhaj and Gentry 1988; Williams Pop, a. Muhs 1978), last year, the dam broke, with presentations on international games (Ilamni Cabaniss and Deaton 1990; Palia et al. 1990), international experiential exercises (Brislin 1990; Golden and Smith 1990; Grat and Hemmansi 1990; Hopkins 1990: Vuen and Lint 1990), as we l as a workshop on Japanese marketing (Das 1990). Given the tradition among ABSELERs of stealing ideas at on’s conference, modifying them for their classes, and then writing them up for the next year’s conference, it is not unlikely that this year’s conference will also see a large number of papers with an internat. tonal focus. Certainly this paper fits that script.

We discuss an attempt to use an extended role play in an international market ing class in order to have the students experience notions such as collectivism/individualism, differing tine orientations, different definitions of in-groups and out-groups, differing roles and rules. For power distances between superiors and subordinates, low context versus high context cultures the vol ance on one’s word is opposed to a written contract, and between superiors and subordinates, low context versus high context cultures. Differences among some of the Japanese. In all, there are ten firms, four of which are American and six are Japanese. Four (two American and two Japanese) firms have booths with products to sell while, the other six firms are buyers only. The six Japanese firms represent three trading companies: Doryoku (Doryoku, Misupitsu, and Tasakitanaka), Shi No Renshu (Shi No Renshu and Daiyio ), and Besubora. All four of the American firms were independent of one another. The “Hot” products at the trade show are the new car batteries. Interestingly, the day that the first period of timed role play took place, Isuzu Motors Ltd. and Fuji Electrochemical Co announced the development of a new, powerful, light, and quickly chargeable battery for electric cars, lists of the firms and the products being exhibited are shown in Exhibit 1.

Students playing the roles of members of the American firms essentially played themselves, and became frustrated by the delaying tactics of the Japanese.

OVERVIEW OF THE ROLE PLAY

The role play takes place over four class periods, with the classroom simulating an international international trade show. No on-going cross-cultural relationships exist on this, although there are on-going realtionships among some of the Japanese. In all, there are ten firms, four of which are American and six are Japanese. Four (two American and two Japanese) firms have booths with products to sell. The other six firms are buyers only. The six Japanese firms represent three trading companies: Doryoku (Doryoku, Misupitsu, and Tasakitanaka), Shi No Renshu (Shi No Renshu and Daiyio), and Besubora. All four of the American firms were independent of one another. The “Hot” products at the trade show are the new car batteries. Interestingly, the day that the first period of timed role play took place, Isuzu Motors Ltd. and Fuji Electrochemical Co announced the development of a new, powerful, light, and quickly chargeable battery for electric cars, lists of the firms and the products being exhibited are shown in Exhibit 1.

EXHIBIT ONE

BRIEF OVERVIEW OF FIRMS AND PRODUCTS

<table>
<thead>
<tr>
<th>AMERICAN</th>
<th>JAPANESE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Curtis Corners</td>
<td>Doryoku</td>
</tr>
<tr>
<td>Dynimite</td>
<td>Tasakitanaka</td>
</tr>
<tr>
<td>Walsh Wympy</td>
<td>Misupitsu</td>
</tr>
<tr>
<td>Coul and Son</td>
<td>Shi No Renshu</td>
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<tr>
<td></td>
<td>Daiyio</td>
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<td></td>
<td>Besubora</td>
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</tbody>
</table>

Booths: The four firms offering products will man booths at all time. Those firms are Curtis Corners, Dynimite, Tasakitanaka, and Daiyio.

PRODUCT DESCRIPTIONS

AGRI-RAY: A battery-powered bug zapper, which has been utilized extensively by U. S. organic turners in producing pesticide-free crops. Manufactured by Dynimite. The product wholesale for about $100.

GENTPHONE: A cellular telephone with a radically new design. Manufactured by Curtis Corners. The product wholesale for $80 to $90.

G-CLONE: A cellular telephone modeled after Gentphone. The G-Clone is a smaller, lower priced version manufactured by Tasakitanaka. It lacks the durability of the Gentphone, but is superior in terms of ease of use. The product wholesale for $80 to $88.

HAMLETIONIAN: A new car battery which has the potential to be used to store energy efficiently should more improvements be made in the trend toward electric cars. It is manufactured by Curtis Corners. The product wholesale for $168-180.

CELL-YOU-LAR: A traditional cellular telephone manufactured by Daiyio. This technology is being superseded by products such as Gentphone and G-Clone. The product wholesale for $60.

CELL-YOU-LOTS: A substandard cellular telephone manufactured by Daiyio that is largely sold in Southeast Asian countries to certain segments that are more interested in the prestige of owning a cellular phone than in how it works. The product wholesale for $40.

The goals given to the American firms involve the signing of contracts for various products. On the
other hand, the goals assigned to the Japanese firms are much less ambitious, as four of them are to go no further than to invite an American firm to visit them in Japan for subsequent discussion, and the other two Japanese firms are to obtain information on the marketplace only and not to conduct any business at all. In fact, the members of the Shi No Reishu trading company (SM No Renshu and Dainiyo) are to disrupt the negotiations involving their Japanese competitors if possible. Points are rewarded according to the various goals (information collection, visit invitation extended and accepted, contracts signed). Given the obvious conflict between the goals of the Japanese firms and those of the American firms, the actual performance grades consisted of the instructor’s evaluation of how well the students played the roles assigned them. An example of the type of instructions given to the students is shown in Exhibit 2. Part of the structure of the instructions to the various firms was derived from Rangaswamy et al. (1989).

Unlike our academic brethren on the West Coast, our midwestern university is not blessed with large numbers of Asian students, especially at the undergraduate level (the level of this class). The three Asian students in the class were assigned to Japanese firms, as were the two American students who had spent a semester in Tokyo with our sister university. In an effort to reflect the more collective nature of Japanese negotiators, the Japanese firms had all four students assigned to them, while the two large American firms (Curtis Corners and Dynimite) had three students and the two small American firms (Walsh Wympry and Coul and Son) consisted of single members.

Further, the instructions given to the Japanese firms required much interaction (Via Notes rather than verbally in order to slow the communication process) prior to decisions being made by the senior member (a male). All Japanese team members were rewarded or punished equally. The instructors to the American firms gave each member much more autonomy and the reward structure provided points for the first individual to do certain things, therefore creating the possibility of competition within the two large American firms.

BASIS FOR THE ROLE PLAY STRUCTURE

The game reflects the authors’ perceptions of the current academic understanding of the cross-cultural negotiation process. We have reviewed their literature elsewhere (Hambley and Gentry 1990) and have suggested directions for extended research. The nature of the differing instructions was based most specifically on the work of Graham (Adler and Graham 1989; Graham 1884, 1985a, 1985b; Graham and Herberger 1983; Graham et al, 1988) although the insightful works of Hall (e.g., Hall 1959, 1976), the recent review article by Hawrysh and Zaichkowsky (1990), and recent books by Emmott (1989) and Whiting (1989) also played important roles in our thinking. The work by Graham for the most part has been based on two-player games; the most straightforward explanation of the typical format is made in Neu (1989).

While much could be gained by having students go through somewhat similar exercises, our belief is that much of the success of the cross-cultural negotiation is already determined by the time that buyer and seller roles are clearly identified and specific price and quantity goals are being discussed. Thus, our focus was on the initial familiarization stage, in which the low context Asians try to determine whether they can trust the out-group Americans. We are all

EXHIBIT TWO

EXAMPLE INSTRUCTIONS GIVEN TO STUDENT FIRM

JAPANESE FIRM: DAIJETO

Negotiation Context:

You are a Supplier to Shl No Renshu, which is a large trading company.

Prior Evaluations:

You are very competitive, almost cutthroat, with other firms in Japanese trading networks other than Shl No Renshu’a, including Denshobu and Doryoku. You will not do business with a firm conducting buminewa (it is not customary) with any other Japanese trading company.

Negotiation Goals:

Your specific purposes for attending the trade show are to (1) get information on new technology, (2) get information on what competitors are doing, and (3) disrupt competitors’ negotiations by misleading efforts of other firms. You have no purchase intentions whatsoever, though you talk a very good game.

Your firm, receives 3 points for each brochure obtained, 6 points for each sales lead form signed (leading to the receipt of information on product) with an American firm, and 3 points for each sales lead signed with a Japanese firm. Your firm will be penalized 20 points for any invitation to visit signed by any number of your network, but will receive a 20 point bonus if no invitations to visit are signed by any of the firms at the trade show. You are not interested in selling your products (Cell-You-lar or Cell-You-Lots), as you have sufficient distribution already. Thus you will receive no points for distributing brochure, or from getting sales leads for them.

Team Composition:

All members of the negotiating team need to consult with each other prior to any verbal exchange. The person talking to the Americans is actually the youngest in terms of experience, but is the most fluent in English.

Team members will not speak verbally with each other, communicating within the team via written notes. The senior member of the team is embarrassed about his English, and refuses to talk in the negotiations. However, his (and the senior person will be a he) decision is the final one, and it does not have to coincide with the group consensus.

The senior umber will confer from time to time with the senior member of the Shi No Renshu firm.

Communication Approaches:

During the first visit to the booth, keep the conversation on topics such as the strength of your firm, and ask questions about the history and objectives of their firm. Ask about their firms trade advertising. Get a lot of information about the products available. Talk about how it is important to cooperate and look at the long run, to price items low so they can get a foothold in the market.

Refrain from talking about money terms until at least the third visit to the booth. When price is mentioned, switch to topics such as quality or the possible availability of these products elsewhere.

When the Americans put something new in the discussion, you need to discuss it among yourselves (via written notes) and then allow time (at least one minute) to pass before you respond. You use this time to try to develop a more complete picture of the situation which the other firm is facing.

You do not say no, but remain silent. It is rude to say no, but you certainly do not want to say yes until you have received an extremely generous offer.

Behavioral Approaches:

You are not to make any agreements whatsoever during the trade show.

You are very cautious and conservative when meeting new people. You are friendly and want to party with representatives of firms with ties to your company.

As a buyer of products, you expect to be treated with respect by potential sellers. You talk about possibly inviting companies to visit if they show proper respect, but you make no such invitations formally.

Familiar with McDonald’s overnight success in Moscow, after more than ten years of negotiation. Missirian, McGowan, and Gupta’s (1990) survey of firms doing business in China indicated even the most successful firms took a minimum of two years to negotiate the contract. While the slow process is becoming part of American expectations, the process is still on that frustrates novices greatly because it is counter to the subconscious understanding of one’s own culture.

A Couple of years ago during a presentation at ABSEL, Hugh Cannon provided the following sequence as food for thought:
At the time, he implied that the direction of development was down only. When one considers the area of cross-cultural negotiation, the optimal situation is to meet in the middle. While negotiators are hampered greatly by their ignorance of other cultures, they may be hampered even more by their unconscious expertise in their own culture. We do things quickly and efficiently because that is the way we do them; we do not know why we do them that way because it is never questioned. When differing cultures are represented in face-to-face situations, the name of the game changes. Thus, the overriding intent of the role play described here is to confront the unconscious expertise of American students.

WHAT HAPPENED DURING THE ROLE PLAY

Even before the role play started, female class members questioned the requirement that the senior member of the Japanese firms must be male. The point of this requirement was similar to the intent of the incident discussed in Brislin (1990), to point out cross-cultural differences in gender relationships.

During the first period a great disparity was found among the trade show booths. Curtis Corners had a large sign, printed brochures, and a display product (an old car battery used to simulate the Hambletonian). Tasakitanaka did not even have a sign for the firm’s booth, although one member did try to compensate by giving the trade show administrator a blank piece of paper as a business card. Also during the first period it was noted that one firm was passing (play) money to other firms.

The role play was designed so that it would culminate in offers to visit Japan being extended in the fourth (and last) period. Unfortunately, the Americans playing the role of the Japanese firm, Misupitsu, were very un-Japanese in their aggressiveness (and impatience). They extended an offer to an American firm to visit during the first period and in the second period signed a sales contract with the firm to buy the new car battery. While they were criticized by the instructor for their lack of patience, the criticism was tempered by the facts that (1) the American firm (Curtis Corners) sold only the car battery and not the cellular phone to them (which would have created problems with their fellow trading company firm, Tasakitanaka, which also sells cellular phones) and (2) they sold the phones at a price well below the recommended level. Thus Misupitsu got all it could want, as the American firm essentially gave away the farm. The Japanese firm was chastised nonetheless for signing a contract before a trusting relationship could be developed. Thus, the Japanese firms that moved cautiously (according to the instructions) were prevented from establishing the relationships that the exercise Structure had envisioned (and which are summarized in Exhibit 3).

The Shi No Renshu trading company tandem of SM No Renshit and Dainiyo were instructed to monitor the market and to disrupt their competitors’ negotiations. Apparently they were slow to get into this role, as their first period emphasized information gathering.
Graves, and Howells (1963). Although the course lectures had stressed the difficulties (and the importance) of getting a cross-cultural business relationship started, apparently the students’ preferred frame of reference is the maintenance of an existing relationship. It was concluded that much more emphasis is needed on the the nature and context of a trade show, stressing that one of its purposes is to provide contacts and to allow firms to become familiar with one another, in addition to maintaining on-going relationships. In the future we will show a videotape of an International trade show prior to starting the exercise.

A second area needing more explanation prior to the start of the exercise is the topic of trading companies. Students had received lectures on the role which trading companies play in other countries and in Japan in particular. Further they were given a handout from Czinkota and Waronoff (1986), showing the Mitsui Group. Despite this coverage and the instructions which told students in the Doryoko and Shi No Rensho trading groups to have their senior members coordinate efforts, the firms tended to act autonomously, as one expects American firms to do. More emphasis in lectures and in the instructions is needed in order to provide more understanding of the relationships within trading company networks.

Another suggested change was to add more Background information on each firm, and to provide more details on the size of their businesses in order that they could at least arrive at a ballpark figure in terms of the number of units which they could hand. This was a problem with the small American firms, as one was seeking a million units while the other was seeking a few thousand. A realistic adjustment is to add varying levels of lines of credit for the various buyers.

The use of the point system was taken far more seriously by the students than by the game designers Bonus points were given to seller firms if the price was above a certain level, but there was no penalty for selling prices below that level. Thus some firms sold at exceptionally low prices. In the future a penalty will be provided, with the magnitude of the penalty being a direct function of the amount below the recommended level. Stiffer penalties might also be added for Japanese firms negotiating earlier than instructed.

At the end of each period, the groups were to turn in a short form that indicated how many contacts were made, how much information was accumulated, etc. In the future, students will be asked to turn in a short summary of what transpired in the period and of what they expect to occur in the next period.

**DISCUSSION**

The paper discussed the development and use of an experiential exercise designed to provide students with experience in cross-cultural negotiations. The Negame experiential exercise had some success in meeting the two goals set out in the construction of the role play. First, it provided a new context in which undergraduate international marketing students attempted to apply principles learned in the course. Participation in the game exposed students to different definitions of in-group and out-group, and differing goal patterns.

Second, Negame increased awareness of individuals’ unconscious expertise. “Japanese” teams struggled to meet some rather simple guidelines on how to “act Japanese.” Some became quite impatient and found ways to rush the negotiation process. The exercise was quite successful in getting students to confront their own unconscious expertise. Students in the American firms showed definite signs of frustration in trying to move the Japanese firms to act more rapidly.

American exhibitors and visitors became frustrated with the tedious foreign negotiation practices and with the tedious foreign negotiation practices and drifted into American-American interactions, although the rewards were much smaller for the intra-cultural transactions as compared to the cross-cultural ones. The students drifted into satisficing transactions and tended to avoid the more complex and painful cross-cultural interactions. If such a bias holds in the real world, it becomes easier to understand the United States’ difficulties in competing in a global marketplace. If this bias can be demonstrated under more rigorous research conditions, it would provide direction for international management and sales training programs. Although given much background in cross-cultural issues and the difficulties of establishing new cross-cultural relationships, students had difficulty integrating subjects covered from class into a cross-cultural situation. This highlights the importance of the utilization of different teaching modes in international education. Participation in the exercise, the success and failure of different strategies, and the required summary afterwards provided further learning opportunities on topics important to international marketing.

**REFERENCES**


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