

Negotiating Tactics Used by Mid-Career MBA Students in the U.S., Taiwan, and the Peoples Republic of China

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ABSTRACT

For a period of eight years, 226 mid-career MBA student teams in the U.S., Taiwan and the Peoples Republic of China participated in a competitive negotiating exercise known as the "Red Team/Blue Team Negotiating Exercise". Teams were instructed to make decisions that would allow them to "get as many points as possible" but their approach to doing this would be entirely their own. Teams made five rounds of decisions, with point values varying from round to round. A negotiator would meet with an opposing team negotiator, agree on a decision point, and then reconvene with their own team and make a final decision. This final decision could or could not conform to the previously agreed upon decision. Without discussion or instruction, teams were left to use one of three common negotiation strategies: collaborative/compromise (a "fostering" or win/win approach); competing (a "forcing" or win/lose approach); withdrawal/accommodating (an "escape" or lose/lose approach) to participate in the exercise.

Previous research suggests that negotiators from individualistic cultures, such as the U.S., tend to take a more contentious approach (a forcing or win/lose), while negotiators from collectivist cultures, such as in Taiwan and the Peoples Republic of China, are more concerned about maintaining positive relationships and are thus more likely to use a cooperative or collaborative approach (a fostering or win/win) to negotiation (Gelfand & Brett, 2004). Following eight years of data collection, 72 of the 226 teams (32%) followed the win/win approach. 128 teams (56.5%) attempted to pursue a win/lose approach which then deteriorated into a lose/lose outcome as is usually expected. The remaining 26 teams (11.5%) continued to follow a win/lose approach even where the opposing team refused to react. Recognizing that a win/win (collaborative or cooperative) approach is more frequently desirable when dealing with various stakeholder groups, the results of this study of mid-career MBA professionals does not bode well for organizations managed by U.S. MBA graduates when compared to their Asian counterparts.

Using Chi Square analysis, U.S. students were found to use a win/lose approach more frequently (at the .01 level of significance) than their Taiwanese or Chinese counterparts as predicted by other research on the impact of collective versus individualized cultures on decision-making. The findings suggest that graduate programs in the U.S. may need to focus more effort on teaching collaborative negotiating and decision-making skills in the MBA curriculum since the global marketplace is here to stay.