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Teaching Negotiation Skills: A Cross-Cultural Hiring Role-Play Activity

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Cover Page Footnote

<https://www.npr.org/2016/10/06/495839588/countries-around-the-world-beat-the-u-s-on-paid-parental-leave> <https://japanintercultural.com/free-resources/articles/saving-face-a-little-discretion-can-go-a-long-way-in-japan/> <https://uk.reuters.com/article/uk-saudi-week-idUKBRE95M08620130623>
<https://www.insider.com/office-work-day-around-the-world-2018-5#a-whopping-two-hour-lunch-break-falls-in-the-middle-of-the-work-day-in-both-italy-and-china-7> <https://www.salary.com/research/salary/listing/data-analyst-salary/ca> <https://www.yourlivingcity.com/stockholm/work-money/maternity-paternity-leave-sweden/#:~:text=Sweden%20has%20one%20of%20the,of%201006%20SEK%20a%20day>.

This role-playing activity is prepared by the authors to teach cross-cultural negotiations, including instilling an awareness of the need to recognize cultural differences in the workplace. It has been used in an undergraduate course delivered synchronously online (through ZOOM) and in an undergraduate course delivered in-person. This activity is best suited for introductory level business courses where students have limited experience in negotiations. The activity encourages students to consider cultural differences as they negotiate terms of employment.

Purpose of the Activity

The purpose of this activity is to introduce business students to the potential complexities of cross-cultural negotiations during the hiring process. While Kippia is a fictitious country, its cultural expectations on the job and during hiring are derived from similar practices around the world (see references in the footnotes). The goal is to have the parties recognize and reconcile cultural differences through negotiation in order to build a foundation for success going forward.

Learning Goals

- introduce negotiation as a management topic
- increase awareness of variation in benefits between countries
- provide direct negotiation experience in a classroom environment
- demonstrate how culture can impact business relations

Activity Overview

The negotiation is between two parties, one party is the Director of HR for Big Data Services, Inc. [The HR Director Role is described in Appendix A], and the other is an international new hire who has been living and working in a fictitious country named Kippia [The Prospective Employee Role is described in Appendix B]. The initial interviews have taken place and a verbal offer of employment has been made, but there are several outstanding negotiation items brought up by the prospective employee which have since held up the hiring process. Being the first international new hire for the US-based firm, it has come to the desk of the Director of HR because the hiring package will set a precedent for future hiring and any noticeable differences between the new hire's package and previous hires will need to be reconciled eventually. The firm is growing, and this successful new hire would signal a new path for success.

The four outstanding items are summarized in the table below:

Negotiation Item	Big Data Expectation	Kippian Expectation
Work week	Monday – Friday	Sunday – Thursday (similar to Saudi Arabia)
Lunch break	1 hour	2 hours (similar to Italy and China)
Salary	\$75K – \$80K	Any amount above \$83,000
Paid parental leave	4 weeks	55 weeks (similar to Sweden)

Negotiation Design

- Activity Preparation – 10 minutes
- Negotiation Activity – 30 minutes
- Debrief with Teaching Points – 20 minutes

Activity Preparation (10 minutes)

- The instructor should randomly divide the students into one of two roles, either the HR Director or the Prospective Employee once attendance is taken.
- If there is an odd number of participants, then students can be doubled up on one role.
- Students should be provided a simple background and timing of the activity without mention of any of the cultural differences to be negotiated. For example, the instructor could state that one role is the HR Director for a US firm and the other role is a prospective employee from another country who has been given a verbal offer of employment.
- The instructor should distribute the confidential information sheets [see Appendix A & B] according to the format of the class (see below for different modes of instruction).
- Students should be given about 5-10 minutes to read through the sheet and to ask the instructor for clarification before the negotiations begin.
- The activity preparation should be simple for the students. The instructor should provide as little cross-cultural content as possible at this time. In-depth instruction on cross-cultural negotiations should take place during the activity debrief.

Negotiation Activity (30 minutes)

This activity is appropriate for a traditional classroom setting. However, it can be adapted for online delivery either synchronously or asynchronously. Regardless of delivery, the negotiation portion between the HR director and employee should be completed synchronously to allow for appropriate communication between the parties.

Format for In-Class Instruction

- Assign participants to roles.
- Introduce the negotiation and review the instructions for submission of negotiated items (either by email, LMS submission, or a note turned into the instructor based on preference). Please note, it is important to point out the confidential nature of the instructions so that the parties do not share the specific terms they have been assigned prior to negotiating.
- Distribute information sheet to each party as assigned [see Appendix A &B].
- Allow participants 30 minutes to negotiate and submit agreed upon terms via email, LMS or hand them in to instructor as preferred.
- Conduct debrief when all groups have concluded negotiations.
- Optional – Assign participants to write a reflection on the experience, how they felt and what they learned [see possible reflection questions at the end of this note].

Format for Synchronous Online Instruction

- Assign participants to roles.
- Introduce the negotiation and review the instructions for submission of negotiated items (either by email, LMS submission). Please note, it is important to point out the confidential nature of the instructions so that the parties do not share the specific terms they have been assigned prior to negotiating.
- Send appropriate information sheet to each party via LMS file drop or email [see Appendix A &B].
- While participants read through their sheets, build out breakout rooms.
- Send participants to breakout rooms for 30 minutes to negotiate.
- Conduct debrief when all groups have concluded negotiations.
- Optional – Assign participants to write a reflection on the experience, how they felt and what they learned [see possible reflection questions at the end of this note].

Format for Asynchronous Online Instruction

- Preassign participants to roles.
- Introduce the negotiation and review the instructions for submission of negotiated items (either by email, LMS submission). Please note, it is important to point out the confidential nature of the instructions so that the parties do not share the specific terms they have been assigned prior to negotiating.
- Send appropriate information sheet to each party via LMS file drop or email [see Appendix A &B].
- Require parties to contact each other to set up negotiation time via videoconference.
- Upload prep and debrief videos as needed.
- Enable LMS chat function for discussion.
- Optional – Assign participants to write a reflection on the experience, how they felt and what they learned [see possible reflection questions at the end of this note].

Debrief with Teaching Points (20 minutes)

During the activity, students had an opportunity to learn about cultural differences and practice their negotiation skills. During debrief, instructors may wish to touch on some of the following concepts using either an individual or group-based Q&A format. Convergence in negotiations is not required. If the parties are not able to come to an agreement within the time frame, this situation provides a richer discussion as to why that occurred during the debrief.

Negotiation Points

- Gathering credible information during negotiations is one of the most important tasks. It can help to mitigate risk and potentially begin to build trust.
- Compromise should be the last resort. When parties compromise, both walk away from the negotiation with less than what they wanted.
- Consider if collaboration might work to allow both parties to get everything they want by “enlarging the pie”.
 - Allowing the Kippian to work on Saturday in order to have Friday off.
 - Offering to come in early or stay later in order to have a two-hour lunch break.
 - Allowing the Kippian to work remotely instead of extended parental leave.
 - Offering in-house childcare for all employees as a perk which may also satisfy the need for extended parental leave.

- Guaranteeing the position for extended leave but with decreased or no pay.
- Consider if any participants left value on the table. Could they have collaborated instead of compromised? Could they have built trust rather than frustration or animosity?
- When negotiating a seemingly irreconcilable item (i.e. salary in this case), can the parties consider revisiting other items or think outside the box in order to bridge the gap?
 - Build in moving expenses as a one-time reimbursement.
 - Reduce benefits for increased salary.
 - Probationary period or scheduled renegotiations.

Cross-Cultural Points

- To assume that peers from other countries will know of and/or willingly accept business practices of the home country is short sighted. Approaching unfamiliar interactions with an open mind is always recommended.
- While Kippia is a fictitious country, its practices were derived from current practices in several countries. It is entirely possible to encounter differing expectations for employment terms in an increasingly globalized world.
- Practices such as differing work weeks are often due to differing religious beliefs.
- Practices such as extended lunch are sometimes derived from climatic effects where the heat negatively impacts productivity (i.e. *siesta*). They may also be incorporating in extra time for a nap after lunch which has been linked to increases in productivity.
- Paid or extended unpaid parental leave has roots in the economic system for most countries. As women began to work in increasing numbers, governments began to see a need to maintain household income (and potential for spending) during leave taken. In addition, most countries clearly see the economic value in getting women to work in equal numbers to men¹.
- The US is in fact, one of only a few countries (and the only developed economy) which does not mandate paid parental leave. The Family and Medical Leave Act (FMLA) in 1993 only applies to employers with 50 or more employees and guarantees 12 weeks of unpaid leave.
- Environmental, Social and Governance (ESG) compliance is also a growing factor in corporate strategy and employee satisfaction is an indicator of ESG

¹ <https://www.npr.org/2016/10/06/495839588/countries-around-the-world-beat-the-u-s-on-paid-parental-leave>

as businesses have responsibilities not only to their shareholders, but also to the external and internal communities they serve.

Optional Reflection Questions

Instructors may wish to include a reflection as part of this assignment, especially if the class is delivered online. Below are some questions that can be used depending on the course being delivered:

- How did you feel prior to negotiating? Did you feel differently afterwards?
- What was the most difficult part of the negotiation?
- How did you feel when learning about the cultural differences of someone from Kippia?
- Where do you think the US ranks in terms of employment practices?
- Why do you think other countries have differing practices or expectations?
- How might the economy factor into employment practices or expectations?
- Can you think of why some co-workers might be against an international new hire?
- Can you think of why an international new hire might be beneficial for the firm?
- In general, is workforce diversity a good or a bad thing? Why?
- If the roles were reversed and a US citizen was negotiating a position in Kippia, would the outcomes have been any different?
- How might you apply your experience from this activity in your career?
- What is your biggest take away from this activity?

Appendix A.

Cross-Cultural Hiring Negotiation - HR Director Role

Instructions

You and your partner(s) are to meet face-to-face or over Zoom and negotiate each of the items (with bullets) listed below. Once you have come to full agreement, the Director of HR participant will send an email to the instructor (the CEO) listing out what was agreed upon and CC the prospective employee on that email.

Below is your confidential information describing your role and positions. Your partner(s) will have their own confidential information. Under no circumstances should you show this information to anyone who is not in the same role. What information to offer during negotiations is completely up to you. You both should be able to complete the negotiation in about 30 minutes.

Confidential Instructions for the Director of Human Resources

You have been asked to negotiate the hiring of the company's first international employee. She/he was previously interviewed and verbally offered a Senior Data Analyst position at Big Data Services, Inc. In general, Data Analysts have a project-based workload. You were told that this person is the best qualified and should be hired if possible. You were also told that this person is from Kippia, but that if you can get a deal done, she/he is willing to move to the US immediately.

Your understanding of Kippian culture is extremely limited with your direct experience confined to US citizens. You have heard that people from Kippia are very pleasant, but generally hard to read. You also heard from a friend at another company that Kippian business culture and practice is quite different from the US so you are expecting that this is the main reason why there are items of concern holding up the new hire.

A verbal offer of employment has been delivered, but there have been a few complications which is why the closing of the deal has been escalated to your level. As the top HR administrator, you have wide ranging authority to develop hiring packages for international employees. **That said, you fully understand that what you do in this case will be setting precedent for all future international hires. In addition, you suspect that any substantive discrepancies in pay or benefits between this new hire and past hires could result in major blowback for your department.**

Items for Negotiation

Work Week

- The standard work week is Monday through Friday.
- Employees rarely come in on Saturdays, but on occasion some catch up on work during busy periods or before major deadlines.
- The facilities are closed on Sundays as the founder (who has since passed) was deeply religious and forbids people from working on that day. This practice continues.
- You start all new employees on either the first or third Monday of each month, which is when new employee orientation is held.

Lunch Break

- The typical lunch break for employees is one hour.
- Some employees do take a working lunch, in which case they arrive an hour later or leave an hour earlier than others.

Salary Range

- The position's annual salary range is \$75,000 to \$80,000.
- The prospective employee has been offered \$75,000 and notified that this is negotiable.
- You have the authority to hire for this position anywhere within the range above, after that, you will need to be able to explain your overly generous offer to your boss.

Benefits

- The prospective employee has been offered the standard benefits package for local employees, including health insurance, paid parental leave for 4 weeks with optional unpaid leave for an additional 8 weeks, dental insurance, a 401k retirement plan after a year of full-time service, plus 10 holidays, and 10 vacation days after one year of service.
- This is the first international hire for Big Data Services, Inc. but as the company expands, you expect to be hiring many more international employees in the future.

Appendix B.

Cross-Cultural Hiring Negotiation - Prospective Employee Role

Instructions

You and your partner(s) are to meet face-to-face or over Zoom and negotiate each of the items (with bullets) listed below. Once you have come to full agreement, the Director of HR participant will send an email to the instructor (the CEO) listing out what was agreed upon and CC the prospective employee on that email.

Below is your confidential information describing your role and positions. Your partner(s) will have their own confidential information. Under no circumstances should you show this information to anyone who is not in the same role. What information to offer during negotiations is completely up to you. You both should be able to complete the negotiation in about 30 minutes.

Confidential Instructions for the Prospective Employee

You have been verbally offered a position with Big Data Services, Inc. as a Senior Data Analyst (generally, Data Analysts have a project-based workload). You currently live in Kippia (where you were born and raised) while Big Data Services, Inc. is headquartered and located in the United States. If you can successfully negotiate an agreement with the Director of HR, you would be willing to sign your contract and move immediately. While excited about the opportunity, you realize that negotiations might be complicated by cultural differences between Kippia and the United States.

In Kippian culture, “face” (similar to Japanese culture²) is an important underlying consideration. You never speak about it (because it comes naturally, plus you were raised this way). Regardless, speaking up only draws unwanted attention which leads to additional embarrassment. You avoid explaining reasons for your decisions for fear that you will cause unwarranted anxiety for you, your counterpart, and/or your family. The Director you are negotiating with is clearly in a position of authority. You must recognize this by giving “face” without explicitly saying why. For example, they should be complimented whenever appropriate, you should avoid the outright use of saying “No” to an offer, and you would never directly question a suggestion made. **In other words, showing the Director of HR the utmost respect throughout the negotiation is absolutely critical to whether you feel the interview was successful or not.**

² <https://japanintercultural.com/free-resources/articles/saving-face-a-little-discretion-can-go-a-long-way-in-japan/>

Items for Negotiation

Work Week

- In Kippia, the work week begins on Sunday and ends on Thursday, leaving Friday and Saturday as the weekend (similar to Saudi Arabia³). You would like to keep the same work week that you have been accustomed to.
- Friday is your traditional day for religious observation, and it is very important to stay clear of work on that day especially.

Lunch Break

- You would like to have a 2-hour lunch break so that you can drive home, cook lunch, and return to work as you have in Kippia (similar to Italy and China⁴).
- It is important that you get home to help your spouse especially at lunchtime as family is everything to you, but again, you have no desire to share this information with your future employer.

Salary Range

- You will accept any final salary above \$83,000⁵ after all, you do need to move and would be the only employed member of your household.
- Your initial verbal offer was for \$75,000 but they explicitly stated that it is negotiable.
- In Kippian culture, it is important that there be at least two counter offers so that a fair deal is completed for both parties (similar to haggling in many Southeast Asian countries). Be sure to take into account your salary benchmark as you renegotiate.

Benefits

- You would be happy with the benefits package offered except for the lack of parental leave (currently you have been offered 4 weeks of paid parental leave).
- You will be a new parent soon and Kippia, by law, allows for 55 weeks of paid leave (similar to Sweden⁶ and many other countries across the world) in these instances.

³ <https://uk.reuters.com/article/uk-saudi-week-idUKBRE95M08620130623>

⁴ <https://www.insider.com/office-work-day-around-the-world-2018-5#a-whopping-two-hour-lunch-break-falls-in-the-middle-of-the-work-day-in-both-italy-and-china-7>

⁵ <https://www.salary.com/research/salary/listing/data-analyst-salary/ca>

⁶ <https://www.yourlivingcity.com/stockholm/work-money/maternity-paternity-leave-sweden/#:~:text=Sweden%20has%20one%20of%20the.of%201006%20SEK%20a%20day.>