Teaching Sales Students How to Become Adaptive Negotiators: Instructional Methods for the Negotiation Scorecard

David E. Fleming and Jon M. Hawes

Purpose: Salespeople must be able to effectively negotiate in order to create mutually beneficial relationships with clients. The negotiation process (especially when distributive in nature) can create relationship challenges. Knowing about distributive and integrative negotiation concepts is fundamental to success. Being able to engage in adaptive negotiations by changing styles between distributive and integrative behaviors based on the situation faced is even more critical. This paper describes a teaching method focused around the Adaptive Negotiation Scorecard. The application of this practitioner tool in the sales curriculum can help students learn how to size up a negotiation situation and then engage in the more appropriate style.

Method/Design: The use of The Negotiations Scorecard within the sales curriculum is detailed and an application of this tool intended to enhance student learning of adaptive negotiations is described. The assessment results presented were collected using a pre-test/post-test design with students and showed that substantial learning occurred. The pedagogy in this study was applied in both professional selling courses (42 students) and business negotiation courses (34 students).

Results: The use of the Adaptive Negotiations Scorecard enhanced student understanding of negotiations in both courses and significantly improved performance in the business negotiations course.

Value to Marketing Educators: This paper shows how to easily transfer a negotiation practitioner planning tool into the marketing classroom and achieve improved learning outcomes.

Keywords: Sales, Negotiations, Practitioner tools

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The complexity and interconnectedness of business relationships has necessitated increased use of negotiations. Ideally, buyers and sellers would commit to mutually beneficial solutions determined by negotiations that enhance their relationships and lead to higher levels of satisfaction for both parties. The negotiating process can, however, endanger these fundamental and much sought-after long term business partnerships (Dietmeyer 2007, 2010). Interactions that occur at the negotiating table, especially aggressive distributive bargaining by salespeople when cooperative integrative negotiations would have been more appropriate, can damage relationships. This injury can sever the business connection because parties may feel that one of the bases for judging equity (e.g., reciprocity, fair rates of exchange, or distributive justice) has not been met (Van de Ven & Walker 1984).

Those who teach both negotiations and professional selling may note the parallel between distributive negotiations and transactional selling. The focus in both is on short term enhancement of outcomes without much regard for the development of long term relationships. In addition, there is also a linkage between integrative negotiations and relationship selling. In this case, there is a greater focus on working together, often to develop creative solutions which can lead to mutual benefits, often over an extended period of time in which both sides gain value from the interaction.

Consequently, it is important to use a style of bargaining that fits the situation at hand. In short, one needs to be an adaptive negotiator. Fundamental to this ability to adapt is the development of a basic understanding about how distributive and integrative negotiations differ (e.g., Barry & Freidman 1998; Kersten 2001). Otherwise, mistakes can be made that harm the relationship or a firm's reputation with others. While the Hawes and Fleming (2014) and Fleming and Hawes (2013) contributions regarding adaptive negotiations have been helpful in this regard, the question still remains about how to help sales students learn about adaptive negotiations. How can adaptive negotiation concepts be best taught in a sales or a negotiations class? The current research describes an approach which has been developed and tested for addressing these pedagogic challenges.

THE NEGOTIATIONS SCORECARD

The driving literature behind this pedagogical tool can be found in Hawes and Fleming (2014) where they introduced the notion of adaptive negotiations and described its similarity to adaptive selling (Spiro & Weitz 1990). They postulated that in order to achieve better negotiating outcomes, salespeople must better understand the strategic difference between integrative and distributive negotiating situations. Subsequently, negotiators must then adapt behaviors based on the type of situation faced in order to achieve preferred outcomes.

Hawes and Fleming (2013) also showed the types of situational factors that a negotiator must examine prior to the interaction during the preparation stage (see Table 1). They further suggested that it may sometimes be possible to enhance integrative potential, for example by adding issues to enable use of logrolling (trading off issues of varying importance across the two parties).

Table 1
Situational Factor Comparison

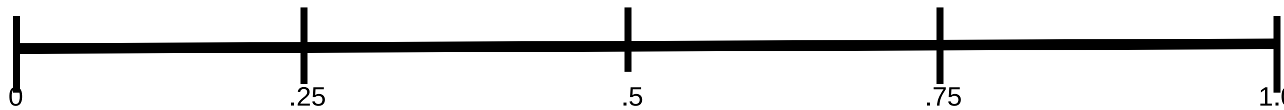
Situational Factors	Distributive If:	Integrative If:
Number of Issues	Single, especially price	Multiple, especially if price is not dominant
Valuation of Issues	Same	Different
Style Orientation	One or both parties distributive	Both parties integrative
Past Relationship	None or bad	Good
Future Relationship Potential	Low	High
Creativity	Low	High
Intelligence	Low	High
Trust	Low	High
Negotiations Experience	Low	High
Positions or Interests Discussed	Positions	Interests
Time Available to Negotiate	Short	Lengthy
Communication Skills	Less than excellent	Excellent
Power Level for the Parties	Different	Same
Importance of This Exchange	Routine	Critical

Fleming and Hawes (2013) combined all of these elements into “The Negotiations Scorecard” which they proposed as a planning tool for negotiators (see Table 2). The evaluator needs to systematically and carefully consider each situational factor in order to make a judgment about its distributive or integrative character. This is shown on The Negotiations Scorecard. If adequate information is not available to make such a judgment for a given factor, it can be skipped. When completed, this planning tool provides a scoring system that the evaluator can use to plot a point on the Negotiations Continuum. This process provides a simple, systematic, and graphic recommendation as to the type of overall negotiation context faced in a given situation. The evaluator can then plan negotiations tactics that are consistent with that orientation.

Table 2
The Negotiation Scorecard & the Negotiation Continuum

Situational Factors	Judgment: Distributive or Integrative?
Number of Issues	
Valuation of Issues	
Importance of This Exchange	
Style Orientation	
Positions or Interests Discussed	
Past Relationship	
Future Relationship	
Power Level for the Parties	
Trust	
Creativity	
Intelligence	
Negotiations Experience	
Communication Skills	
Time Available to Negotiate	

Total Number of Distributive Situational Factors
Total Number of Integrative Situational Factors
Total Number of Factors Judged
Total Number of Integrative Factors ÷ Total Number of Factors Judged = *Negotiations Continuum Value*



Purely Distributive Negotiations | Absolute Mixed Motive Negotiations | Purely Integrative Negotiations

IMPLEMENTING THE NEGOTIATIONS SCORECARD IN A SALES CLASS

Lecture. The first step to introduce these concepts in an introductory sales class was by lecture. This was necessary as most students were inexperienced as negotiators and had no familiarity with the notion of adaptive negotiations. Evidence of this was provided by the results of a pre-test survey. Thirty-nine out of forty-two sales students completed a pre-test assessment. **Before** the class coverage of negotiations, 59% disagreed (or strongly disagreed) that they "felt knowledgeable about negotiations."

The lecture began with an introduction to basic terms that are encountered in a negotiation context so that everyone could speak the common "language" of negotiations. The next ingredient in the lecture was basic coverage of concepts related to adaptive negotiation, including the differences between distributive and integrative approaches, where they fall on The Negotiation Continuum (see Figure 1), the strategic differences between the two approaches, and the situational factors commonly associated with each extreme. As the materials were presented, the focus was on the logic behind it along with questioning and reflection rather than just "telling" them about it. It has often been said that "selling is not telling." Likewise, "teaching is (also) not telling."

This basic content was driven by the materials included in Hawes and Fleming (2014) and Fleming and Hawes (2013). The lecture portion concluded with a detailed explanation of how to utilize The Negotiations Scorecard to assess a current situation and then how to become more adaptive using some of the concepts provided by Eckert (2006).

Exercise 1. The next phase in the pedagogy focused on giving students the opportunity to practice applying the materials from the lecture in a practical setting. The main objective of the lesson was preparing students to understand and implement The Negotiations Scorecard in order to engage in adaptive negotiations at the highest level. Consequently, each exercise forced students to think about how to modify the situation to arrive at a better result (e.g., a more integrative outcome) through the notions proposed by Eckert (2006).

The first exercise after the lecture was a Skill Practice Exercise (role play) published by a third party entitled Dividing Grandma's Things. In a class of 42 sales students, eight students were selected to participate in a negotiation with roles provided on script cards along with their outcome goals. Remaining students were given The Negotiation Scorecard (see Table 2) along with a worksheet containing the suggestions from Eckert (2006) on how to be more adaptive. They were instructed to complete The Negotiations Scorecard information based on **how they thought the role play participants had perceived the negotiation situation.** Students had to make these estimates based on their observations of verbal and nonverbal behavior during the role play (this worksheet is available upon request from the authors). The role play was a simple one appropriate for an introductory negotiation in a sales course. At the end of the predetermined time limit, the role players were scored based on what they were able to accomplish during the negotiations. Debriefing then followed and participants listened while the student observers provided feedback and other useful comments about the interaction.

Exercise 2. The second exercise involved use of a very popular two-part case study from the Harvard Business School titled "Frasier (A) and (B)" developed by Subramanian and Kalka (2002). Prior to class, the students read this case and provided their observations on The Negotiations Scorecard with the exception that this time they completed a separate Negotiations Scorecard from the seller's perspective as well as one from the buyer's point of view. This was intended to help them appreciate that it truly takes both sides working together to achieve an integrative solution. This assignment was a homework assignment and students brought their work to a class session dedicated to a debriefing of their findings. Participation points were available and a good discussion resulted with widespread involvement among those who were prepared for the class.

Exercise 3. The third and final exercise involved the students watching a video case during class of a negotiation. The 59 minute video case was "The Sluggers Come Home" (Neale 1997). Students once again completed one Negotiations Scorecard for the buyer and another for the seller. This forced them to examine the situation from the perspective of each of the two parties – seller and buyer. The only difference was that the worksheet had additional questions about the video case relating to the basics of negotiations discussed in the lecture portion to reinforce those concepts as well. The aim was to repeat the key information at least three times during this course module to enhance retention. For this final exercise using the video case, students were graded on the quality of their assessment of the situation though their use of The Negotiations Scorecard for each party, the accuracy of their responses to questions on negotiation basics, and the quality/creativity of their proposed adaptations to the negotiation environment to enhance integrative potential for long term relationship development.

Each of these exercises was followed with a full debriefing to encourage students to express where they felt their skills were lacking or to enhance their understanding of these concepts. Other instructors may find that there are better options for these exercises available or that alternative materials could better fit a particular style. The authors encourage such a dialogue. The National Conference in Sales Management has become an excellent forum for these discussions.

STUDENT FEEDBACK IN THE SALES CLASS

This innovation in the sales curriculum went through multiple trials and errors as the materials used and teaching methods were modified over several semesters. Inks et al. (2011) have noted that learning effectiveness is influenced by student perceptions of the value of an activity. Consequently, the value students perceived from this module were assessed. A survey was administered to two sections of an introductory sales class after all of the previously described learning modules were completed. The questions included an assessment of knowledge gained, the perceived value of some of the previously mentioned exercises, an evaluation of the content presented, and requested suggestions for improving student learning. Recall that in the pre-test, 59% had indicated disagreement with the statement "I feel knowledgeable about negotiations." After the modules were completed, however, (during the post-test), 0% felt that way. This was a huge change in student perceptions of negotiations competency.

Regarding the content, 100% agreed (or strongly agreed) that the basic information on negotiation from the lecture was helpful, 75% agreed (or strongly agreed) that The Negotiations Scorecard was helpful, 100% agreed (or strongly agreed) that the material on becoming more adaptive based on the Eckert (2006) article was helpful, 69% agreed (or strongly) agreed that the role play was helpful, 77% agreed (or strongly agreed) that the written case was helpful, and 85% agreed (or strongly agreed) that the video case was helpful. In addition, 38% reported that the role play was the methodology enjoyed the most while 28% said it was a case study [Frasier (written), or Sluggers (video)]. There were 23% who reported that they most enjoyed the content on becoming more adaptive (Eckert 2006). While these metrics are not established scales, for this exploratory project, simple metrics regarding the specific pedagogical tool used were selected to enable the authors to identify which pieces of the curricular design were most efficacious and which needed changes.

In addition, students were asked about their biggest take-away from these class sessions on adaptive selling and use of The Negotiations Scorecard. Those responses can be seen in Table 3. The focus of those comments was on the value of learning about negotiations, the difference between the integrative and distributive negotiations, and the practice/applications from the exercises. Finally students were allowed to provide suggestions for modifying the teaching approach. A majority of suggestions were minor technical issues but the most useful were suggestions about the sequencing of materials and structure of the lesson. Often, they felt the written case should come first and would have served as better preparation for the role play. In hindsight, this is probably true.

Table 3
Student Comments about the Adaptive Negotiation Lesson

Clearly identifying the difference between Distributive and Integrative Judgment
Even people that have totally different styles of business can adapt for mutual benefit
Figuring out your target price, reservation price, and a zone of potential agreement
How to apply them to my everyday life and learn what type of negotiator that I am
How to negotiate by using the other persons "cards" instead of your own
How to use the right language in order to get what you want.
I learned that it is very important to make a lasting relationship with each other.
I liked the information adaptation work sheet ensures you won't forget any part of the negotiation.
In class activities
Is that practice is important!!!!!

It taught me how to properly negotiate.
I was not aware of all of the different areas involved in negotiating and I realized there is a lot to learn about negotiating.
Learning the difference between Integrative and distributive
Learning the difference between integrative and distributive helped explain the different roles we saw in the assignments
learning the difference between integrative and distributive negotiations
Never sell under the price you have in mind, sometimes no agreement is the best negotiation.
Seems easier to understand and get more out of the days when we are physically doing the lesson.
Set an anchor and stick to it
Strengthening my negotiation skills
That there are different ways to adapt the way you negotiate based on the needs of the other person.
the differences between integrative and distributive negotiations
The different types of negotiation.
The examples really helped to tie in the content from the slides to real world examples.
There are many opportunities to tailor the sales pitch in your favor.
Like the scorecard
The slugger negotiation was the activity that allowed me to learn the most. I felt that it did a good job of portraying different ways to go about negotiations and what the different outcomes could look like depending on the negotiation style chosen.
The Sluggers video because I learn best from videos and it was a good video to watch
The way to open negotiations. How you set your anchor points and also how you should set them relative to where you want to end up.
Tips on how to get your point across and make it a win/win for everyone

IMPLEMENTING THE NEGOTIATIONS SCORECARD IN A NEGOTIATIONS CLASS

Methods. In order to determine the impact of these methods for learning adaptive negotiations and using The Negotiations Scorecard in a business negotiations class, a pre/post design was also utilized. During the first half of the semester prior to the introduction of The Negotiations Scorecard and adaptive negotiations, students conducted five Skill Practice Exercises (role plays) which were evaluated on a 25 point scale. More points were awarded to groups achieving better negotiation outcomes. These scores represented the pre-test for this research.

At the midpoint of the semester, a detailed lecture was presented where the focus was adaptive negotiations along with the use of The Negotiations Scorecard. This was done in conjunction with the Eckert (2006) methods for enhancing adaptiveness but with more emphasis on how to use the tool in the negotiation planning process. To get some practice in applying this method, students were asked to use The Negotiations Scorecard during a subsequent case study. In addition, for the final five Skill Practice Exercises (role plays), students were required to utilize The Negotiations Scorecard as a planning tool. This required perhaps an additional 10 minutes for each project. The final five exercises were graded (post-test) using the same method as the first five.

Outcomes. The comparisons across the pre- and post-test adaptive negotiation exercises were significantly different. The mean score per student (n=34) on the first five exercises done prior to the coverage of adaptive negotiation without use of the scorecard was 22.48 while the average exercise score on the final five exercises done after the modules on adaptive negotiations and along with the required use of The Negotiations Scorecard was 23.92. The mean difference (1.447) was significant at the .01 level (standard error of the mean .2473, t-value 5.85). This indicates that students performed significantly better on the exercises that used The Negotiations Scorecard than on those exercises done without it and it appears to be a practical difference as it shows a large increase in performance in the negotiating role play performance which was graded on how well each participant was able to achieve their desired outcomes. It would be interesting to test the impact of these methods using a control group to determine whether just doing the pretest exercises alone would have created a significant change in performance (as would be expected due to practice effects) and is a limitation of the current study.

CONCLUSIONS

This paper has provided sales educators with guidance on how to use The Negotiation Scorecard in sales and negotiations classes. The learning system described in this paper can help novice negotiators identify contexts faced in order to prepare accordingly and adapt by using situationally appropriate negotiation tactics. Additionally the paper has provided detailed implementation instructions along with a pedagogic structure to deliver the material in a manner that has been found effective in college classes. These methods might also be of value in corporate training programs.

This system has been developed over time through continued assessment and adjustment. While the assessments used in this study showed evidence of student learning and were relatively easy to implement in the classes studied, the development of further assessment metrics that may fit more seamlessly or be better indicators of learning should be considered and designed. As more educators use these educational materials, the further development of appropriate cases, videos, and other learning pedagogy which will surely advance the field is encouraged. Further experimentation can also contribute to this effort and some suggestions have been provided in this paper. Suggestions for further enhancement to facilitate the development of the next generation of sales leaders are needed as well.

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