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Negotiation Architecture and Governance Design in Multicultural Teams: Evidence from Repeated Intercultural Negotiations

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Abstract

Multicultural negotiations often fail not because negotiators misunderstand each other 's interests, but because they cannot construct governance arrangements that reconcile competing institutional logics. While negotiation research has produced a mature understanding of interest identification, BATNA analysis, and integrative bargaining, comparatively little is known about the architectural conditions under which negotiating teams generate implementable governance structures — the oversight mechanisms, milestone systems, and dispute resolution arrangements that allow an agreement to function across two or more institutional frameworks. This study examines repeated multicultural negotiations conducted under a standardized negotiation architecture involving fixed role rotation, crisis escalation, no-ties observer accountability, and dual-source evaluation. Nine multicultural teams from five countries participated in three structured negotiation rounds built around international business cases involving conflicting regulatory, cultural, and institutional logics, yielding 18 independently scored team-level negotiation observations. Performance was evaluated using a five-dimensional rubric that combined observer and expert scores. The findings show that negotiation outcomes varied systematically across teams and that the dimensions most strongly distinguishing stronger from weaker negotiating teams were adaptability under crisis-induced disruption and the structural feasibility of proposed governance arrangements, rather than cultural fluency alone. Qualitative analyses of observer justifications and negotiation transcripts indicate that higher-performing teams converted competing institutional logics into concrete governance mechanisms — conditional ownership arrangements, escalation ladders, and joint oversight structures — while lower-performing teams remained at the level of positional restatement. The negotiations were conducted within a graduate international management program, which supplies the empirical context but is not the object of the study. The findings contribute to negotiation research by identifying negotiation architecture as a set of design conditions that make governance-building behavior observable and by proposing hybrid governance design as a measurable negotiation capability distinct from cultural awareness or persuasive skill.

1. Introduction

Cross-border ventures, joint research partnerships, infrastructure concessions, and international supply agreements increasingly require negotiating parties to do more than reach agreements on price or terms; they must design governance arrangements that can be understood, trusted, and operated within two or more institutional systems simultaneously (Hall & Soskice, 2001; Kostova & Roth, 2002; Peng et al., 2008; Williamson, 1991). Negotiation research has developed a strong understanding of how parties identify interests, evaluate alternatives to negotiated agreements, and move between distributive and integrative bargaining (Fisher, Ury, & Patton, 1991; Lewicki, Barry, & Saunders, 2015; Thompson, 2006). Considerably less is known about negotiation architecture — the structural conditions of role assignment, escalation, accountability, and evaluation under which negotiating teams operate — and how these conditions shape teams' capacity to produce governance arrangements that survive contact with institutional complexity.

This gap matters because much of what determines whether a cross-border agreement can be implemented has little to do with persuasive skill. Sebenius (2002) identified this directly in cross-border negotiation practice: negotiators who excel at interest-based bargaining frequently fail to anticipate the governance structures required to implement their agreements across different institutional systems. Fang (1999) similarly argued that governance design — the creation of oversight mechanisms, approval hierarchies, and accountability structures that respect both parties' institutional constraints — remains among the least developed areas of negotiation theory, particularly in intercultural settings. Existing negotiation research emphasizes interests, trust-building, and communication style (Brett, 2007; Gelfand & Brett, 2004) and says comparatively little about how negotiating teams, under time pressure and institutional disruption, construct the governance mechanisms an agreement needs to be implementable.

This study investigates repeated multicultural negotiations conducted under a standardized negotiation architecture: fixed role rotation, a mid-negotiation crisis-escalation event, a no-ties observer-accountability rule, and dual-source (observer plus expert) scoring. Nine multicultural teams drawn from five countries negotiated across three structured rounds centered on international business cases involving conflicting regulatory, cultural, and institutional logics — a wine export compliance dispute, a coffee alliance pricing conflict, a pharmaceutical joint venture governance disagreement, and a renewable energy concession under regulatory uncertainty. This design yielded 18 independently scored team-level negotiation observations across three rounds, with each team negotiating twice and serving once as an accountable observer of another team's negotiations.

The negotiations were conducted within a graduate international management program, which supplied the empirical setting for the study but was not itself the object of inquiry. Framed this way, the paper asks:

How does negotiation architecture make differences in governance-adaptation capability observable across negotiating teams, and, more specifically, how do teams differ in their capacity to construct implementable hybrid governance arrangements under institutional complexity?

This study advances the negotiation research in three ways.

First, it integrates role rotation, crisis escalation, observer accountability, and dual-source evaluation — negotiation-process elements previously studied largely in isolation — into a single negotiation architecture and shows that this integrated architecture makes governance-building behavior observable and comparable across negotiating teams, rather than treating these elements as incidental features of a research setting.

Second, it extends existing negotiation, cultural intelligence, and trust-based frameworks by identifying hybrid governance design — the conversion of conflicting institutional logics into implementable oversight, milestone, and dispute-resolution mechanisms — as a team-level negotiation capability that

those frameworks do not separately measure, since they are built primarily around individual disposition, persuasion, or generalized trust rather than structural output.

Third, it provides empirical evidence, using externally scored repeated-negotiation data, that governance adaptation under institutional disruption is more closely associated with negotiation performance differences than cultural enactment alone, and identifies which architectural features and behavioral dimensions most consistently separate stronger from weaker negotiating teams.

Figure 1 summarizes the conceptual model that guided this study. Institutional complexity is the background condition that creates conflicting regulatory, cultural, and organizational logics that a negotiated agreement must ultimately reconcile. Negotiation architecture — the standardized structure of role rotation, crisis escalation, observer accountability, and dual-source evaluation — does not itself vary across teams in this design; rather, it provides the common condition within which teams' governance behaviors become observable and comparable. This distinction matters: the architecture creates the opportunity to observe governance adaptation capability rather than to create that capability. Observable governance behaviors — how a team responds when the crisis escalation event removes the option of positional restatement — are the raw material from which governance adaptation, the behavioral outcome of interest, is assessed. Negotiation performance, an externally scored outcome, is treated as a downstream consequence of governance adaptation rather than a direct function of cultural fluency or persuasive skill.

The remainder of this paper is organized as follows. Section 2 reviews negotiation theory, institutional complexity, and the formation of hybrid governance. Section 3 presents the research questions addressed in this study. Section 4 describes the negotiation architecture and data used in this study. Section 5 reports the findings. Section 6 discusses the contribution to negotiation theory, and Sections 7 and 8 address the limitations, future research, and conclusions.

2. Literature Review

2.1 Negotiation Under Institutional Complexity

Cross-border negotiations increasingly occur under conditions of institutional complexity, in which the parties operate under differing regulatory regimes, corporate governance conventions, and coordination logics (Hall & Soskice, 2001; Peng, Wang, & Jiang, 2008). Institutional-distance research shows that these differences shape not only what agreements are reached but also whether they can be governed once reached (Kostova & Roth, 2002; Xu & Shenkar, 2002). Sebenius (2002) argued that the central difficulty in cross-border negotiations is not cultural misunderstanding. Still, the negotiators' failure to anticipate the governance work an agreement will require once institutional differences are activated post-agreement. Fang (1999) reached a related conclusion from the study of Chinese business negotiations: institutional and relational logics that are invisible during bargaining resurface at the implementation stage, and negotiators who have not designed for this resurfacing produce agreements

that cannot be operated. Despite this, mainstream negotiation pedagogy and much negotiation research continue to treat institutional complexity as a background context for interest-based bargaining rather than as a variable that negotiating teams must actively design around (Gelfand & Brett, 2004).

2.2 Intercultural Negotiation and Cultural Intelligence

A substantial body of negotiation research examines how cultural differences shape negotiators' framing, communication styles, and outcome preferences (Brett, 2007; Gelfand & Brett, 2004; Thompson, 2006). Cultural intelligence — the capacity to function effectively across culturally diverse settings — has been linked to negotiation effectiveness and the accurate reading of a counterpart's institutional and relational cues (Ang et al., 2007; Earley & Ang, 2003; Van Dyne et al., 2012). Lee, Adair, and Seo (2013) show that cultural perspective-taking — actively considering a counterpart's culturally normative negotiation behavior in advance — shapes how much value negotiators claim but has no equivalent effect on value creation, suggesting that cultural understanding and the capacity to build joint value are separable negotiation competencies. This literature has established that cultural fluency is a necessary condition for effective intercultural negotiations. It has been less successful in explaining what happens after cultural fluency is present: negotiators who accurately read a counterpart's cultural and institutional logic do not automatically translate that reading into a workable governance structure. This is the gap that the present study addresses directly — treating cultural enactment as a baseline competency and asking what, in addition, distinguishes negotiating teams that convert cultural and institutional understanding into implementable agreements.

2.3 Hybrid Governance Formation in Negotiation

Hybrid governance, arrangements that combine elements of two or more institutional or organizational governance systems, is well established in organizational economics and international business (Hall & Soskice, 2001; Peng et al., 2008; Williamson, 1991). In practice, cross-border ventures frequently require negotiating parties to design oversight hierarchies, intellectual property arrangements, and dispute resolution mechanisms that must be legible in both institutional contexts. Despite the centrality of hybrid governance to organizational theory, it has rarely been treated as an outcome of the negotiation process itself, let alone as an observable, scoreable capability that distinguishes negotiating teams from one another. This study treats hybrid governance design — milestone systems, conditional ownership arrangements, escalation ladders, and joint oversight mechanisms — as a negotiation-process outcome, generated (or not) during the negotiation itself rather than assumed as a background institutional given.

2.4 Negotiation Architecture and Process Design

A smaller but relevant stream of negotiation research examines how the structural features of a negotiation process — role assignment, information availability, time pressure, and evaluation structure — shape negotiation behavior and outcomes, independent of the substantive issues under negotiation (Druckman & Ebner, 2008; Lewicki et al., 2015; Mnookin, Peppet, & Tulumello, 2000). Druckman and Ebner (2008) showed that design roles (structuring and evaluating a negotiation) produce learning and behavioral effects distinct from those of enactment roles (participating directly in the negotiation),

suggesting that the architectural position — not only substantive skill — shapes what negotiators demonstrate. Sebenius (2002) identified disruption moments — points at which an agreed frame is challenged by new information — as a key test of negotiators' capacity to design rather than merely defend a position. This literature provides the conceptual basis for treating negotiation architecture (role rotation, crisis escalation, accountable observation, and dual-source scoring) as a structured condition that can make differences in governance design capability observable across negotiating teams, rather than as a procedural detail of how a study was conducted.

2.5 Process Dynamics: Trust, Disruption, and Turning Points in Negotiation

A growing body of Group Decision and Negotiation research examines how process-level dynamics, rather than fixed dispositions, shape negotiation outcomes. Druckman and Harinck (2022) show across three experiments that negotiator trust and mediation approach jointly shape negotiating behavior and perceptions, with zero-sum perceptions mediating the relationship between trust and negotiation conduct. Griessmair and Gettinger (2020) demonstrate that negotiations are inherently discontinuous, evolving through turning points at which social signals precipitate — or fail to precipitate — a substantive departure from positional bargaining, and that the way negotiators enact these action–reaction sequences distinguishes successful from unsuccessful dyads. Yao and Storme (2021) similarly found that the trust generated during a negotiation has effects that persist well beyond the immediate encounter, shaping negotiator satisfaction over time. Multiparty negotiation research adds a further dimension: Trif, Curșeu, and Fodor (2023) show that power and goal difficulty jointly shape whether individuals or groups attain synergistic negotiation outcomes, underlining that negotiation performance in team-based settings cannot be reduced to individual negotiating skills. Because the negotiating teams in the present study operate as multinational virtual teams for most of the surrounding programs, two further findings are directly relevant: Cheng, Bao, Yu, and Shen (2021) show, in a longitudinal study of multinational virtual teams, that trust develops in ways that shape group efficiency over time rather than at a single point of formation; and Seeber, Fleischmann, Cardon, and colleagues (2024) show that psychological safety in global virtual teams can be actively fostered through team-based interventions, with direct implications for how much a negotiating team is willing to risk a structurally novel governance proposal rather than a safe, positional one. Druckman et al. (2021) further show that the identity of the party structuring or facilitating a negotiation — human, robot, or screen-mediated — shapes perceived effectiveness, reinforcing that architectural and procedural choices, not only substantive skill, are legitimate objects of negotiation research. Read together, this literature establishes that negotiation performance is substantially a function of process architecture and disruption dynamics — precisely the variables this study manipulates through fixed role rotation, a controlled crisis escalation event, and dual-source evaluation.

Intercultural negotiation research has long recognized that culture shapes negotiating style, communication, and the substance of agreements (Salacuse, 1999), but has been less attentive to how cultural differences are — or are not — resolved into governance structures once bargaining ends. This

study extends this line of inquiry by treating governance resolution, rather than cultural adaptation alone, as the negotiation outcome of central interest.

2.6 Negotiation Outcomes Beyond the Bargaining Table

Research published outside the GDN reinforces the case for treating governance and implementation, not agreement in principle, as the relevant negotiation outcome. Hart and Schweitzer (2020) show, across six studies, that the negotiation process itself can harm post-agreement performance by increasing perceived relational conflict, a finding that reframes a signed agreement as, at most, the midpoint of a negotiation's economic consequences rather than its conclusion. Druckman and Olekalns (2013) show that motivational primes and trust shape how negotiators react when a crisis disrupts an ongoing negotiation, and directly anticipate the use of a controlled crisis-escalation event to observe adaptive versus defensive responses. In a directly comparable empirical setting, Rana, Druckman, and Canduela (2022) analyze turning points across nine cross-border mergers and acquisition negotiations and show that outcomes depend on substantive and strategic elements internal to the negotiation process itself, including coalition building — evidence that process-internal dynamics, not only external conditions, drive whether cross-border negotiations succeed. Brett, Ramirez-Marin, and Galoni (2021) provide a cross-cultural meta-analytic evaluation of negotiation strategy measurement, underscoring that strategy and culture must be measured as jointly operating constructs rather than as separate constructs. Finally, Marx (2025) shows that, under the kind of institutional disruption produced by global supply crises, negotiators increasingly rely on informal "latent negotiations" conducted outside the formal bargaining episode — a reminder that the architecture governing a formal negotiation session, of the kind manipulated in this study, does not capture the entirety of how institutional complexity is resolved in practice and is itself a boundary condition of the present design.

2.7 The Gap This Study Addresses

Three gaps in the negotiation research motivated this study.

First, negotiation theory has extensively documented the interest-based, trust-based, and cultural dimensions of cross-border negotiations (Brett, 2007; Druckman & Harinck, 2022; Salacuse, 1999) but has rarely examined the mechanisms through which negotiating teams convert institutional complexity into implementable governance arrangements.

Second, most negotiation research relies on single-round or single-role designs that cannot capture how negotiation capability develops across repeated encounters, notwithstanding evidence that facilitator and process role assignments shape outcomes independently of substantive skill (Druckman et al., 2021).

Third, disruption or turning-point moments — where negotiators must adapt an agreed structure rather than restate a position — are theoretically identified as diagnostic of negotiation capability (Griessmair & Gettinger, 2020; Rana et al., 2022; Sebenius, 2002), but are rarely built into negotiation research designs as a controlled, comparable architectural feature. This study addresses all three gaps by analyzing

externally scored, repeated multicultural negotiations conducted under a standardized architecture that includes a controlled crisis-escalation event and by treating hybrid governance design as the primary outcome of interest.

2.8 Defining Negotiation Architecture

Because the construct is central to this study's contribution, it is formally defined before the research questions are presented. Negotiation architecture refers to the intentionally designed structural features of a negotiation process, including role allocation, accountability mechanisms, disruption events, evaluation systems, and procedural constraints, that shape how negotiating parties generate, adapt, and implement governance arrangements under institutional complexity. It functions as an opportunity structure: it does not determine what negotiators do, but it shapes which negotiating behaviors and capabilities become possible, observable, and assessable within a given encounter. Negotiation architecture is distinct from negotiation strategy (the substantive choices negotiators make within a given structure) and cultural competence (the dispositional capacity negotiators bring to an encounter). It is a designed shell within which strategy and competence are exercised, tested, and made observable. This study treats negotiation architecture — specifically, fixed role rotation, no-ties observer accountability, a mid-negotiation crisis-escalation event, and dual-source evaluation — as the structured condition under which differences in governance-adaptation capability become observable, and hybrid governance design as its principal dependent construct. Because every team in this study experienced the same architecture, it is best understood not as a manipulated independent variable in a between-condition comparison but as the standardized context that makes cross-team variation in governance adaptation interpretable and comparable. This term is used consistently in this sense throughout the remainder of the paper.

3. Research Questions

Three research questions guided this study:

RQ1: How does negotiation architecture make differences in negotiation performance observable in multicultural and institutionally complex negotiations?

RQ2: Which architectural mechanisms and behavioral dimensions distinguish stronger and weaker negotiation outcomes?

RQ3: How do successful negotiating teams construct implementable hybrid governance agreements in the context of institutional complexity and crisis-induced disruption?

4. Method

4.1 Context and Design

This study investigates repeated multicultural negotiations conducted using a standardized negotiation architecture. The negotiations occurred within a graduate international management program — a 12-week experiential course that brings together multicultural teams from five countries (Mexico, Germany, Canada, Spain, and Brazil) — which provides the empirical setting but is not the object of the study.

This study uses a convergent parallel mixed-methods approach (Creswell & Plano Clark, 2018), in which quantitative negotiation performance scores and qualitative observer justification reports are analyzed separately and then combined in interpretation. Because there are only 18 team-level negotiation observations, the quantitative analysis is exploratory and descriptive, intended to identify consistent patterns rather than support causal claims.

4.2 Negotiation Architecture

The negotiation architecture comprises three structured rounds. Nine multicultural teams, each comprising four to five members, were formed across five nationalities. Nine negotiations occurred over the three rounds, producing 18 team-level performance observations. The design was symmetrical: each team negotiated exactly twice — once in each of two opposing roles — and once served as an accountable observer of the other team's negotiation. This role rotation structure ensured that every team accumulated both direct negotiating experience and analytical and evaluative experience throughout the architecture.

Each negotiation session followed a standard protocol: 25 minutes of live negotiation with preparation materials available; a five-minute crisis escalation event delivered at the 20-minute mark without access to preparation materials; and a 15-minute observer-led debrief requiring a written justification of at least 150 words. Examples of the disruption prompts used to introduce institutional uncertainty consistently across negotiations are reproduced in **Appendix B** to ensure that the mechanism generating the crisis escalation data is fully transparent to reviewers. The crisis-escalation event was designed specifically to test whether negotiating teams could adapt their governance structure in response to institutional disruption rather than restate a previously prepared position. No preparatory materials were permitted during the crisis response period.

4.3 Cases

Four international business cases were developed around distinct institutional and cultural tensions, each involving governance complexities that interest-based bargaining or cultural awareness alone could not resolve:

(1) a wine export agreement between Argentina and Canada, centered on regulatory compliance and relational commitment;

(2) a coffee alliance between Colombia and France, involving competing producer and premium brand priorities;

(3) a pharmaceutical joint venture between Switzerland and Italy, centered on intellectual property governance, milestone controls, and scientific oversight; and

(4) a renewable energy concession between Poland and Australia, requiring risk allocation and governance under regulatory uncertainty.

Case materials were constructed so that workable hybrid governance solutions existed but required architectural specificity to be articulated effectively.

4.4 Protocol

The preparation materials were distributed 48 hours before each negotiation and withdrawn at the start of the crisis-escalation window. Each negotiation was conducted live through real-time video conferencing. The crisis question was delivered verbally at the 20-minute mark. The observer teams completed a written justification before a facilitator-led debriefing. The no-ties rule required observers to declare a single winning team in writing, referencing at least three rubric dimensions by name — a design choice intended to convert observation into a substantive analytical act rather than a diplomatic non-commitment. Final scores combined observer and expert ratings using a 50/50 weighting on each of the five rubric dimensions.

4.5 Performance Measures

Negotiation performance was evaluated using a five-dimensional, 100-point rubric:

(1) cultural awareness and authenticity — the behavioral expression of cultural identity and institutional trust logic;

(2) adaptability and hybrid solution creation — responsiveness to counterpart moves and to the crisis-escalation event;

(3) clarity and structural feasibility — the practical implementability of proposed governance arrangements;

(4) intercultural negotiation collaboration — bilateral institutional literacy and integration of the counterpart's logic; and

(5) persuasiveness and proposal quality — argument development and engagement with the counterpart's position.

Each dimension was scored from 0 to 20, against four behavioral anchor levels. The full rubric is provided in Appendix A. The dual-source evaluation combined observer team scores (50%) and expert scores (50%) for each dimension, reducing single-rater bias. The differences between the observer and expert ratings were recorded as secondary qualitative data.

4.5.1 Rubric Development and Content Validity

The five rubric dimensions were derived from the negotiation, intercultural management, and institutional governance literatures reviewed in Section 2 (cultural enactment, adaptability, structural feasibility, bilateral institutional literacy, and persuasiveness), operationalizing constructs already established in that literature rather than being generated de novo. Therefore, content validity rests on this derivation from established constructs; the rubric was not further validated by a separate expert review panel or through formal pilot administration before implementation. This is treated as a limitation rather than concealed and is addressed further in Section 7.

4.6 Analysis

Quantitative analysis examined the distribution of weighted negotiation performance scores across teams, negotiations, and rubric dimensions, as well as the score trajectories for each team's two appearances. Rubric-dimension profiles were constructed for higher- and lower-performing teams to identify which dimensions consistently distinguished performance levels. Given the exploratory nature of the analysis and the limited number of observations (N = 18), no inferential statistical tests were conducted; the purpose of the quantitative analysis was pattern identification rather than causal estimation.

Qualitative analysis focused on observer justification reports and negotiation-transcript segments from higher- and lower-performing negotiations. A theory-driven coding approach was used, with codes derived from the hybrid governance framework (milestone mechanisms, escalation ladders, conditional ownership, and joint oversight) and rubric dimensions. Two analysts independently coded a subset of reports and met to resolve disagreements through discussion until a consensus was reached on each code. A formal quantitative coding-agreement statistic (e.g., percentage agreement or Cohen's kappa) was not computed and is noted as a limitation in Section 7, consistent with the convergent parallel design logic of Creswell and Plano Clark (2018).

The goal of this study was theory development and mechanism identification rather than statistical generalization. With 18 team-level observations, the design is not intended to estimate population-level effect sizes or to support inferential generalization to other negotiation populations; it is intended to establish, with analytic depth, whether and how a specific architectural configuration makes governance adaptation behavior observable and differentiable across negotiating teams — a question suited to a small, intensively observed sample rather than a large one.

This study is distinct from prior simulation-based negotiation research in several ways. Unlike simulation studies that evaluate learning outcomes — whether participants report increased skill, satisfaction, or perceived competence — this study analyzes externally assessed negotiation behavior and governance-design outcomes produced under a standardized process architecture. The negotiations analyzed here are treated as negotiation data, not as evidence of pedagogical effectiveness; the graduate program that hosted them supplies the empirical setting rather than the outcome of interest.

5. Findings

5.1 Overall Negotiation Performance Distribution

Table 1 presents the average weighted negotiation-performance scores for all nine teams across their two negotiation appearances. Scores ranged from 89.0 (Team 5) to 95.0 (Team 7), with an overall mean score of 91.9 (SD = 1.9). Although the absolute range is narrow, consistent with a competitively selected participant group, the 6.0-point range is meaningful given the precision of the dual-source, 100-point rubric. Two features of **Table 1** are noteworthy.

First, the performance variation was tight but systematic, indicating a genuinely high-performing group rather than score inflation.

Second, repeated appearances reveal within-architecture learning, most notably for Team 8, whose score rose by 7.0 points between its two negotiations.

Rank	Team	Battle 1 Score	Battle 2 Score	Average Score	Performance Band
1	Team 7	95.5	94.5	95.0	High
2	Team 9	94.0	90.5	92.3	High
3	Team 4	93.0	91.0	92.0	High-Mid
4	Team 8	88.0	95.0	91.5	High-Mid
5	Team 2	91.0	91.5	91.3	High-Mid
6	Team 1	92.0	90.0	91.0	Mid
7	Team 3	90.5	91.0	90.8	Mid
8	Team 6	89.5	90.5	90.0	Mid-Low
9	Team 5	88.5	89.5	89.0	Low

Note. *Scores reflect final weighted averages (50% observer + 50% expert) on a 0–100 scale. Performance bands: high ≥ 94.0, high-mid 91.0–93.9, mid 90.0–90.9, mid-low/low < 90.0.*

Team 7 achieved the highest average score (95.0), whereas Team 5 recorded the lowest (89.0). This ranking pattern suggests that repeated exposure to the architecture alone did not guarantee superior outcomes; Teams 1 and 9 scored lower in their second appearance than in their first. Instead, differences emerged from teams' governance-adaptation capabilities rather than from familiarity with the negotiation architecture per se.

Observer and expert ratings were compared across the rubric dimensions to assess inter-rater consistency. The differences were generally small, indicating acceptable convergence within the dual-source evaluation architecture. A formal inter-rater reliability statistic (e.g., intraclass correlation or

Cohen's kappa) was not computed for this analysis; this is addressed as a limitation in Section 7 of this paper.

5.2 Negotiation-Level Variation and Rubric Dimension Patterns

Performance variation was most pronounced in negotiations requiring architectural solutions rather than communicative solutions. The pharmaceutical joint-venture negotiation (Switzerland vs. Italy) produced the largest single-negotiation gap: Team 7 scored 95.5 against Team 8's 88.0 — a 7.5-point difference attributed primarily to the adaptability/hybrid-solution and clarity/structural-feasibility dimensions, where Team 7 outperformed Team 8 by 4.0 and 3.5 points, respectively. The second negotiation (Team 8 vs. Team 4) produced a 4.0-point gap (95.0 vs. 91.0), with observer reports again citing implementable milestones and escalation structures as the deciding factor.

Governance design and cultural framing scores differentiated higher- from lower-performing teams (**Table 2**). Cultural awareness and authenticity were necessary but not sufficient; all teams demonstrated credible cultural enactment, but only higher-performing teams translated that enactment into governance-level structural proposals. Two dimensions consistently distinguished stronger negotiating teams from weaker ones: adaptability and hybrid solution creation, and clarity and structural feasibility.

5.3 What Distinguishes Higher-Performing Negotiating Teams: The Governance Design Pattern

The central finding of the qualitative analysis is that higher-performing teams were not primarily distinguished by cultural fluency or rhetorical skill but by their capacity to translate competing institutional logics into hybrid governance structures. Observer justification texts for Team 7 consistently referenced capabilities extending beyond cultural performance:

"France and Switzerland demonstrated high-level governance thinking. The proposal included a conditional shared IP with phase-based budget controls, a fast-track IP review mechanism, a joint steering committee with clear escalation procedures, and a structured dispute resolution process. This was not just culture — it was a board-ready agreement design." — Observer justification report.

Team 8 showed a strong learning trajectory, improving by 7.0 points between its first and third negotiations, consistent with a broader pattern in which the clearest distinction among teams was not cultural enactment but the capacity to define operational structures enabling agreement across institutional lines. **Table 2** summarizes the comparative patterns across the five rubric dimensions.

Dimension	Higher-Performing Teams	Lower-Performing Teams	Negotiation-Theoretic Implication
Cultural Awareness & Authenticity	Cultural enactment extended to governance preferences and institutional trust logic.	Enactment stayed at the rhetorical surface; institutional logic not integrated into proposals.	Cultural fluency is a baseline condition, not a differentiator of negotiation outcomes.
Adaptability & Hybrid Solution Creation	Crisis event produced proactive structural adaptation — new governance mechanisms introduced.	Crisis produced defensive restatement; structural design unrevised under pressure.	Disruption moments distinguish architectural flexibility from positional defense.
Clarity & Structural Feasibility	Proposals specified milestone systems, conditional ownership, escalation ladders, joint oversight.	Compromise language without structural specification; aspirational rather than operational	Implementability, not persuasiveness, separates governance-capable teams.
Intercultural Negotiation Collaboration	Counterpart's governance logic explicitly incorporated into design; bilateral institutional literacy shown.	Counterpart's logic acknowledged verbally but not architecturally integrated.	Verbal acknowledgment of a difference is distinct from its structural integration.
Persuasiveness & Proposal Quality	Arguments built on the counterpart's framework; feasibility addressed alongside preference	Arguments primarily restate the own position, with limited engagement with the counterpart's constraints.	Persuasion that ignores the counterpart's structural constraints does not predict the quality of agreement.

Taken together, **Table 2** indicates a consistent progression from cultural enactment toward governance integration. Across all five dimensions, higher-performing teams moved from verbal recognition of institutional differences to the structural incorporation of those differences into concrete governance mechanisms. In contrast, lower-performing teams remained at the level of acknowledgment without integration.

Figure 2 summarizes this progression in a four-stage negotiation process model. The model is sequential rather than optional: recognition of institutional logic (accurately reading a counterpart's regulatory or organizational constraints) is a necessary but not sufficient first stage, since all teams in this study reached it. In the second stage, logic translation, lower-performing teams stalled — acknowledging a counterpart's constraints verbally without converting that understanding into a specific proposal element. Only teams that reached the third stage, governance construction, produced the milestone systems, escalation ladders, and joint oversight mechanisms that characterized the strongest

negotiations, culminating in a hybrid agreement genuinely operable across both parties' institutional systems.

5.4 Illustration: The Pharmaceutical Joint-Venture Negotiation

The pharmaceutical joint-venture negotiation (Switzerland vs. Italy) offers the clearest illustration of a governance-design pattern. Transcript analysis shows Team 7 constructing, under time pressure and without preparation materials, a governance structure including conditional shared intellectual-property allocation tied to phase-completion milestones, a rapid IP-review process triggered by compound reclassification, phase-specific budget controls with joint approval requirements, an emergency scientific-council activation process, a joint steering committee with defined escalation procedures, and a structured dispute-resolution process involving a neutral scientific advisor. This architecture was built entirely under pressure from negotiations following the withdrawal of the preparation materials.

The observer team described the outcome as "structural hybridization" and "executive-level governance thinking." Team 8's negotiation, by contrast, produced well-founded arguments for research flexibility but did not advance to the governance-architecture level, resulting in what observers termed "a compelling case without an implementation framework." The crisis-escalation event was the decisive differentiator: Team 7 proposed a rapid IP reclassification committee and a milestone-bound exploratory phase, while Team 8 offered a positional reaffirmation. This contrast — structural adaptation versus positional defense — was the most consistent differentiator across all nine negotiations.

5.5 Summary: Research Question Answers

Answer to RQ1. The standardized negotiation architecture — fixed role rotation, no-ties observer accountability, crisis escalation, dual-source evaluation, and the withdrawal of preparatory scaffolding during disruption — provided common conditions under which overall performance remained moderate (mean = 91.9, SD = 1.9) while producing significant, systematically interpretable variation in governance adaptation across teams, rather than in cultural fluency alone.

Answer to RQ2. Adaptability and hybrid solution creation, along with clarity and structural feasibility, were the most consistently differentiating dimensions, particularly in negotiations involving acute institutional tension. Cultural awareness and authenticity were necessary but insufficient to explain performance differences.

Answer to RQ3. Higher-performing teams followed a consistent three-stage process: recognizing the counterpart's institutional logic (not only its cultural style), translating that logic into the design of proposals, and actively constructing governance mechanisms that simultaneously address both parties' accountability requirements.

6. Discussion

6.1 Contribution 1: Negotiation Architecture as a Design Variable

This study treats negotiation architecture — the structural conditions under which a negotiation is conducted — as the common condition that makes differences in negotiation performance observable and comparable across teams, rather than as an incidental procedural detail. Because every team in this study used the same architecture, the architecture itself was not varied and cannot be said to have caused performance differences in a between-condition sense; rather, it created a standardized setting within which teams' underlying differences in governance-adaptation capability could be expressed and scored consistently.

Four architectural elements were the most consequential in this respect.

Fixed role rotation, which required every team to negotiate and serve as an accountable observer, was associated with measurable within-architecture learning; the observing role appears to sharpen structural analysis in ways that direct negotiating experience alone does not, consistent with Druckman and Ebner's (2008) finding that design roles produce learning effects distinct from enactment roles, and with Druckman et al.'s (2021) broader finding that the structuring or facilitating party — not only the negotiating parties themselves — shapes perceived negotiation effectiveness.

The no-ties rule, which required observers to declare a winner and justify that judgment in writing, converted observation into a substantive analytical act rather than a diplomatic noncommitment.

The crisis-escalation event was the single most diagnostic architectural feature in the study, separating teams capable of structural adaptation from teams that could only restate an established position — directly corroborating Sebenius's (2002) argument that disruption moments are the real test of cross-border negotiation capability, and closely paralleling Griessmair and Gettinger's (2020) finding that how negotiators enact the action–reaction sequence around a turning point, rather than the turning point's mere occurrence, discriminates successful from unsuccessful negotiations.

The dual-source evaluation, which combined observer and expert scores, reduced single-rater bias and yielded a more stable performance estimate than either source alone. Accordingly, this study extends the negotiation process theory by conceptualizing negotiation architecture as a theoretically meaningful design framework that creates the conditions under which governance adaptation capability becomes observable, rather than as a procedural feature incidental to the setting in which negotiation is studied.

6.2 Contribution 2: Hybrid Governance Design as a Negotiation Capability

The findings identify hybrid governance design as a negotiation capability that is conceptually distinct from cultural awareness, trust-building, and persuasive skill, and empirically separable from them in this dataset. Existing negotiation and intercultural competence frameworks — cultural intelligence (Earley &

Ang, 2003; Van Dyne et al., 2012), interest-based bargaining (Fisher et al., 1991), and trust-based accounts of cross-cultural and process negotiation (Brett, 2007; Druckman & Harinck, 2022; Gelfand & Brett, 2004; Yao & Storme, 2021) — largely treat negotiation capability as an individual or dyadic disposition, whether cognitive, cultural, or relational. Research on multiparty negotiation adds that team-level outcomes are further shaped by structural factors such as power and goal difficulty (Trif et al., 2023), reinforcing that team, not individual, capability is the correct unit of analysis for negotiations of the type studied here.

The present findings indicate that, under institutional complexity, the decisive capability is a team-level, structurally specific one: the ability to convert conflicting governance logics into mechanisms — milestone systems, conditional ownership, escalation ladders, and joint oversight structures — that both parties can operate. This reframes what "negotiating well" means in institutionally complex settings: not persuading a counterpart to accept one's own frame or building generalized trust, but jointly constructing a frame that neither party's institutional logic alone could have produced. Therefore, this study contributes by extending existing negotiation, cultural intelligence, and trust-based frameworks to include hybrid governance design as a distinct team-level negotiation capability that those frameworks do not separately measure.

6.3 Contribution 3: Institutional Negotiation and the Limits of Cultural Fluency

A further contribution concerns the relationship between cultural fluency and the negotiation outcomes. All nine teams in this study demonstrated credible cultural enactment; cultural awareness and authenticity did not differentiate stronger negotiators from weaker ones. This is consistent with Sebenius's (2002) and Fang's (1999) observations that cultural misunderstanding is rarely the operative failure in cross-border negotiations; the operative failure is the inability to design governance structures once institutional differences are activated. This echoes Salacuse's (1999) earlier observation in this journal that cultural differences shape negotiating styles without determining whether an agreement can ultimately be operated.

The present data make this distinction empirically visible: teams that verbally acknowledged a counterpart's institutional constraints but did not integrate them architecturally into their proposals performed no better than teams with weaker overall cultural enactment. In other words, institutional negotiation capability is not downstream of cultural competence; it is a distinct skill that cultural competence alone does not guarantee. This study therefore contributes by providing empirical evidence that governance adaptation amid institutional disruption is more closely associated with differences in negotiation performance than with cultural enactment alone — a distinction that prior cultural intelligence and trust-based frameworks are not built to capture.

6.4 Managerial and Educational Implications

For organizations designing multicultural negotiation processes, the findings suggest that negotiation teams should be evaluated, trained, and staffed with explicit attention to governance-design capability rather than cultural fluency or persuasive skills alone. Building disruption or crisis moments into internal negotiation preparation may reveal which teams can adapt structurally rather than defensively before a real cross-border agreement is at stake. For negotiation training in general — including but not limited to the graduate program that supplied the empirical setting for this study — the results suggest that negotiation exercises built around fixed role rotation, accountable observation, and a controlled disruption event surface governance-design differences that conventional persuasion-focused exercises do not.

6.5 Negotiation Architecture as a Higher-Order Construct

The contribution of this study is not to invent negotiation architecture from nothing; role assignment, framing, and process design have each received attention in prior negotiation research (Druckman & Ebner, 2008; Lewicki et al., 2015). The contribution of this study is to integrate previously separate architectural elements — role rotation, disruption design, evaluation structure, and accountability mechanisms — into a single, coherent framework for observing governance adaptation, and to show that these elements function jointly rather than as independent procedural choices. Prior research has typically examined these elements separately — role assignment (Druckman & Ebner, 2008), trust and mediation approach (Druckman & Harinck, 2022), or turning-point dynamics (Griessmair & Gettinger, 2020) — without treating them as a single, integrated design space. This study's contribution is to show that these elements function as an integrated architecture whose combined effect on the observability of governance adaptation behavior is not reducible to any single component.

6.6 Synthesis

Taken together, these results extend negotiation theory in three linked ways: by identifying an integrated negotiation architecture that makes governance-building behavior observable across teams; by extending existing negotiation and cultural intelligence frameworks to include hybrid governance design as a team-level capability that those frameworks do not separately measure; and by providing evidence that disruption moments — not steady-state bargaining — are where this capability becomes visible. Methodologically, this study offers a template for negotiation research that produces externally scored, design-linked performance data without requiring large samples or specialized behavioral-observation infrastructure beyond a well-constructed negotiation architecture.

7. Limitations and Future Research

However, several limitations qualify these findings. Content validity for the negotiation-performance rubric currently rests on its derivation from established constructs in negotiation, intercultural management, and governance design (Section 4.5.1). It was not additionally validated through independent expert review or piloting, and doing so — for example, having negotiation faculty or practitioners independently rate the rubric's dimensions for content coverage — would strengthen

confidence in the measure. This study is based on a single implementation of the negotiation architecture with 18 team-level observations. This supports exploratory pattern identification but not strong causal claims about which architectural features independently drive performance, and the quantitative analysis should be read as hypothesis-generating rather than hypothesis testing. The dual-source evaluation design relies, in part, on trained peer observers. While this increases analytical engagement, future studies would benefit from additional independent expert raters, together with formal inter-rater reliability statistics (e.g., intraclass correlation or weighted agreement) between observer and expert scores, richer illustrative coding evidence, and explicit trustworthiness procedures for qualitative analysis — additions that would strengthen confidence in the findings without requiring a different dataset.

The five-country composition (Mexico, Germany, Canada, Spain, and Brazil) produces a specific pattern of institutional tensions. Different national groupings would likely surface different governance-logic conflicts and potentially different differentiating dimensions, and the small sample size limits generalizability across other institutional or cultural configurations. The study also examined team-level negotiation performance within a single architecture; however, whether governance design capability, once demonstrated in this setting, transfers to professional cross-border negotiation contexts was not evaluated. Finally, the same team that designed the negotiation architecture also constructed the evaluation rubric, which could help align the architecture's rewards with the rubric's measures.

Future research could use controlled or quasi-experimental designs to isolate the independent effect of specific architectural features (role rotation, crisis escalation, the no-ties rule); compare negotiation-architecture effects across different national compositions and negotiation domains; examine longitudinally whether governance-design capability demonstrated under a controlled architecture predicts performance in real cross-border negotiations; and validate whether the five rubric dimensions used here constitute a coherent, replicable measurement of negotiation performance across other negotiation-architecture implementations.

8. Conclusion

This study shows that a standardized negotiation architecture — combining fixed role rotation, no-ties observer accountability, a controlled crisis-escalation event, and dual-source evaluation — creates common conditions under which teams' negotiation performance can be observed and scored consistently under institutional complexity, and that teams differed systematically in the governance-adaptation capability this architecture made visible. The teams that performed best were not distinguished by cultural fluency, which all teams demonstrated credibly, but by their capacity to convert competing institutional logics into implementable hybrid governance structures: milestone systems, conditional ownership arrangements, escalation ladders, and joint oversight mechanisms capable of operating simultaneously across two institutional settings.

For negotiation researchers, the implication is that governance-design capability deserves treatment as a distinct, measurable negotiation outcome — separable from and not reducible to cultural awareness or persuasive skill — and that disruption or crisis moments, rather than steady-state bargaining, are where this capability becomes visible. For organizations designing multicultural negotiation processes, the implication is that negotiation teams should be developed and evaluated with explicit attention to their capacity to design governance structures under institutional complexity, not only their capacity to reach an agreement in principle.

As cross-border collaboration increasingly requires negotiating parties to build governance structures that span conflicting institutional systems, negotiation research and practice alike stand to benefit from treating hybrid governance design — and the negotiation architectures that make it observable — as a central rather than a peripheral object of study.

Declarations

Author Contribution

J.H. conceived the study, designed the methodology, conducted the investigation, analyzed and interpreted the data, wrote the original manuscript draft, prepared all figures and tables, reviewed and revised the manuscript, and approved the final version.

Data Availability

The datasets generated and/or analyzed during the current study are available from the corresponding author on reasonable request.

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Figures

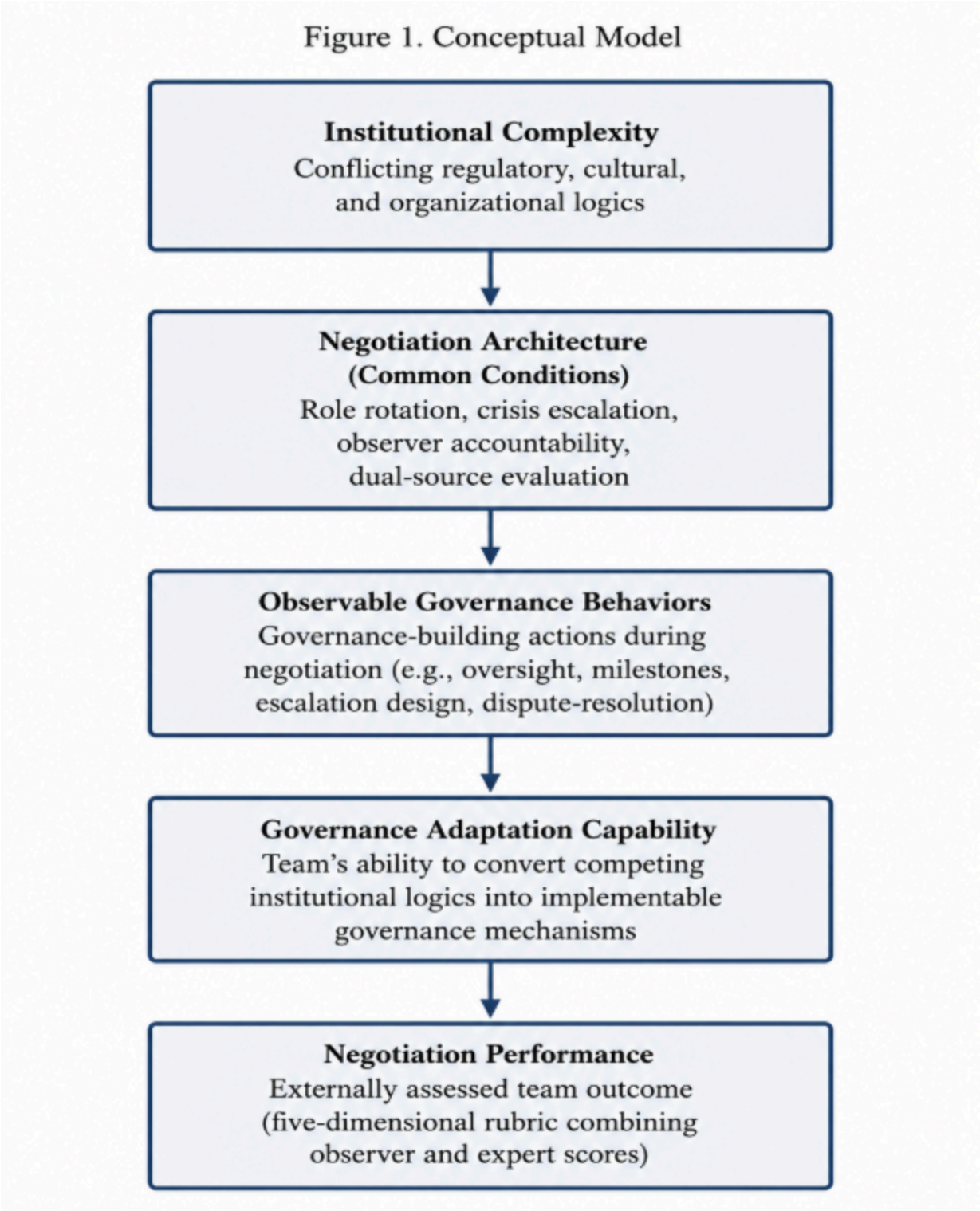


Figure 1

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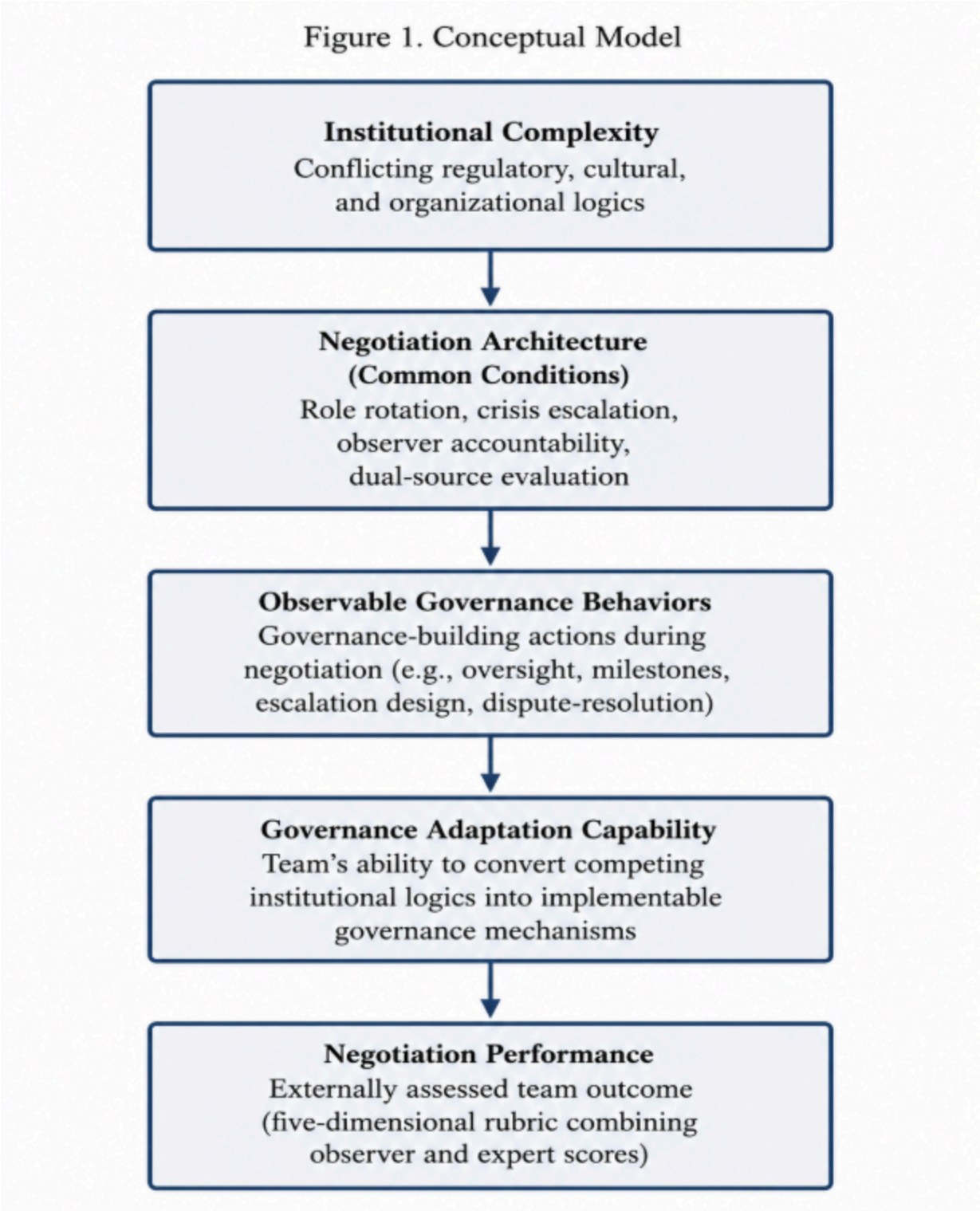


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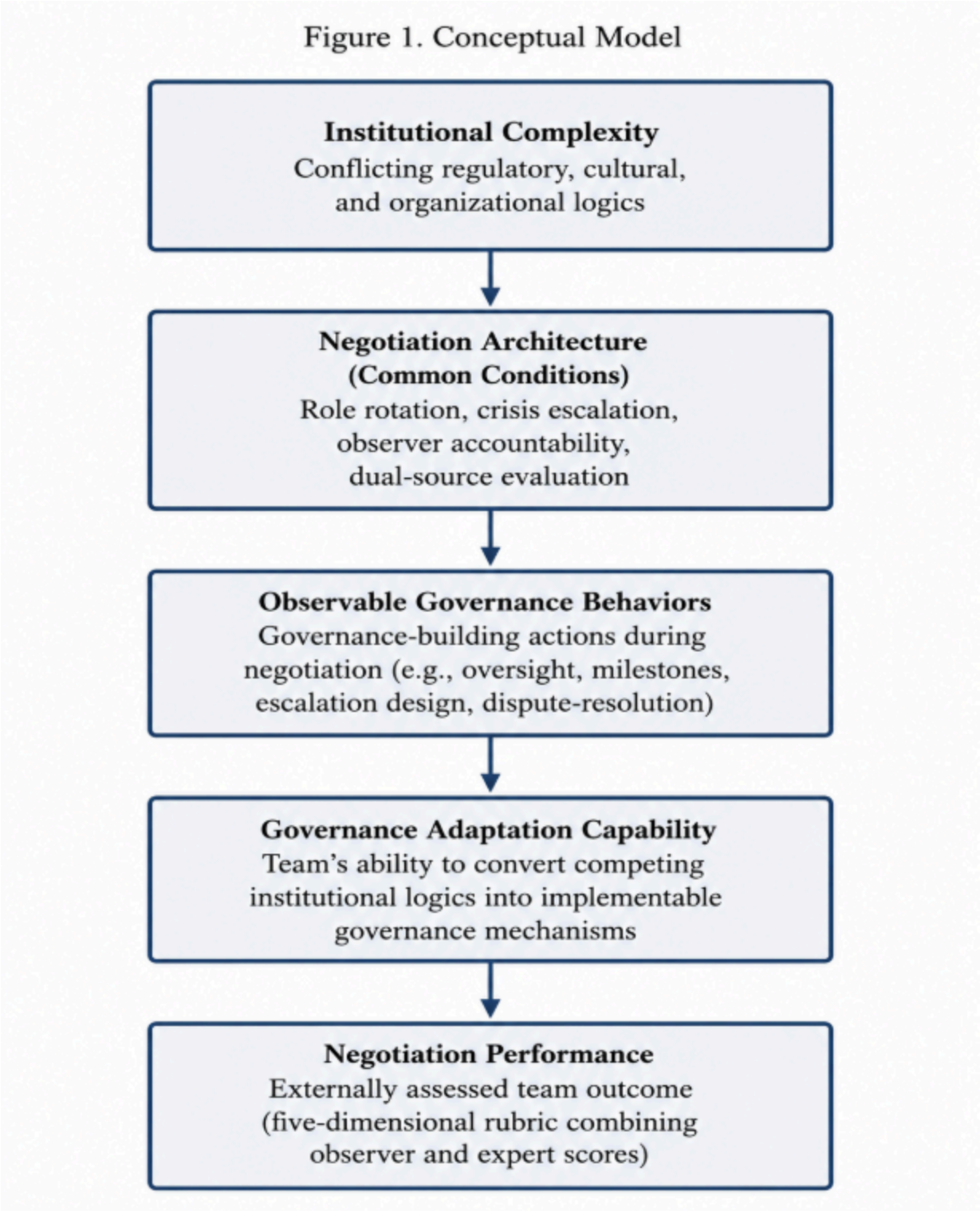


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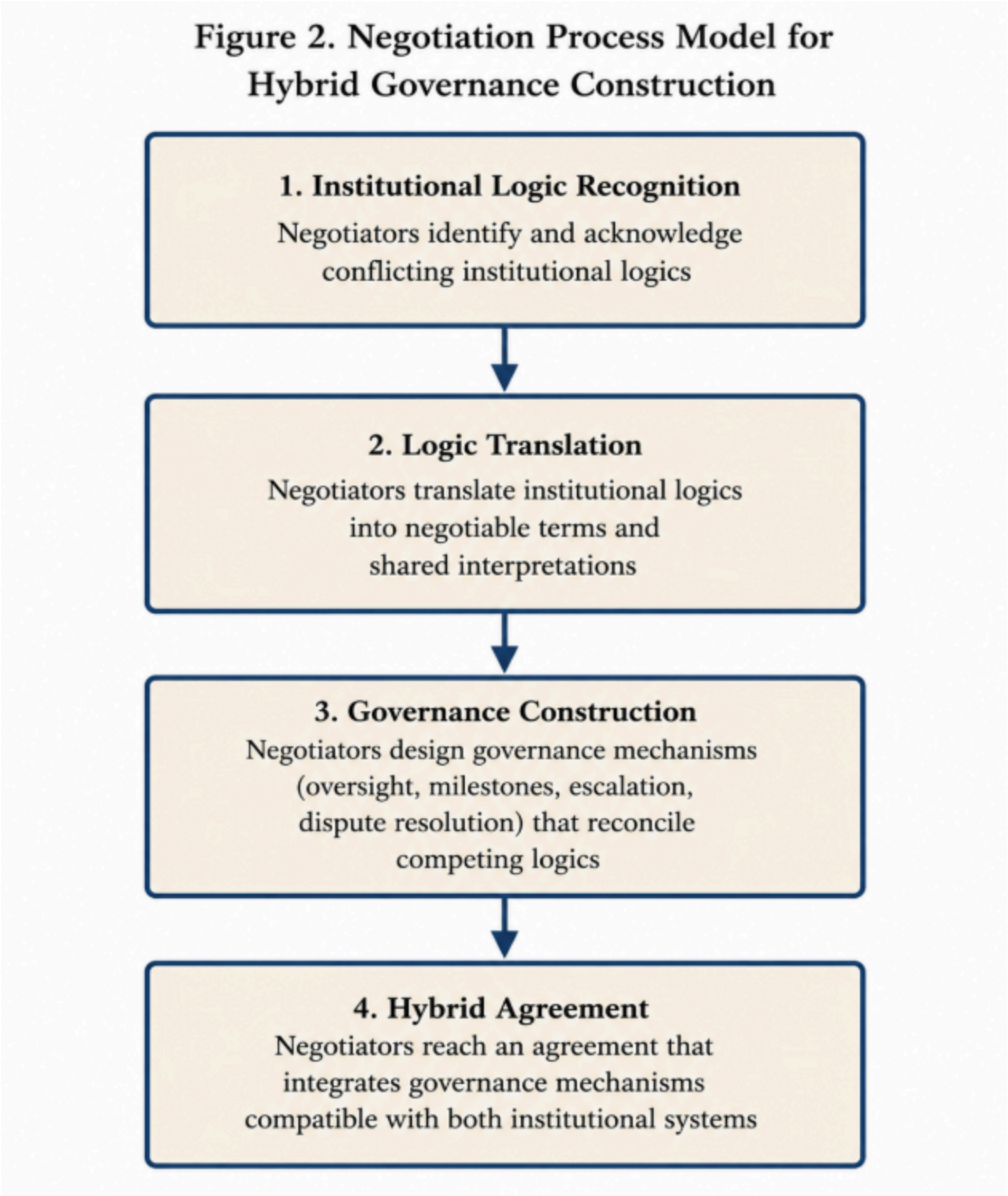


Figure 2

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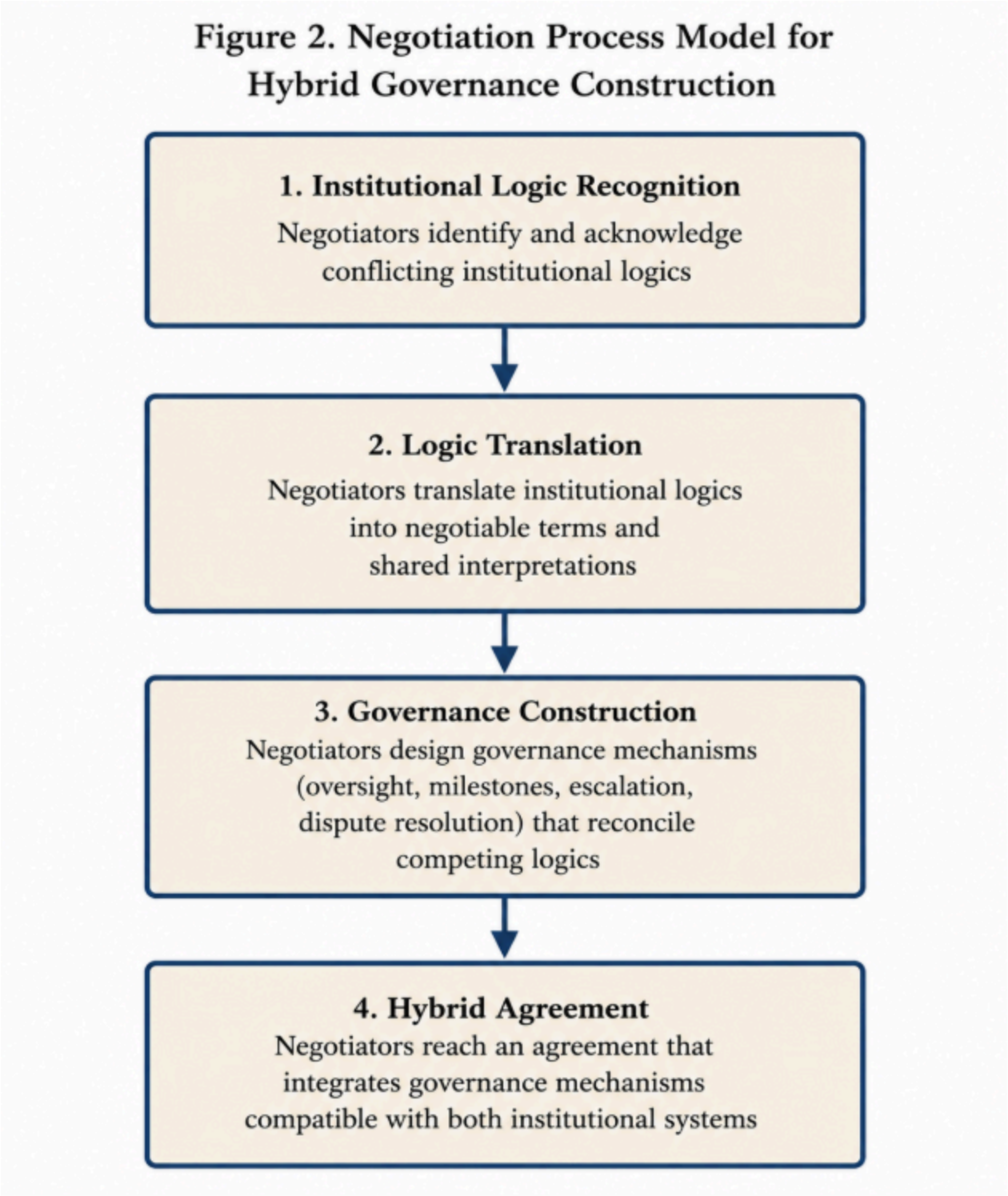


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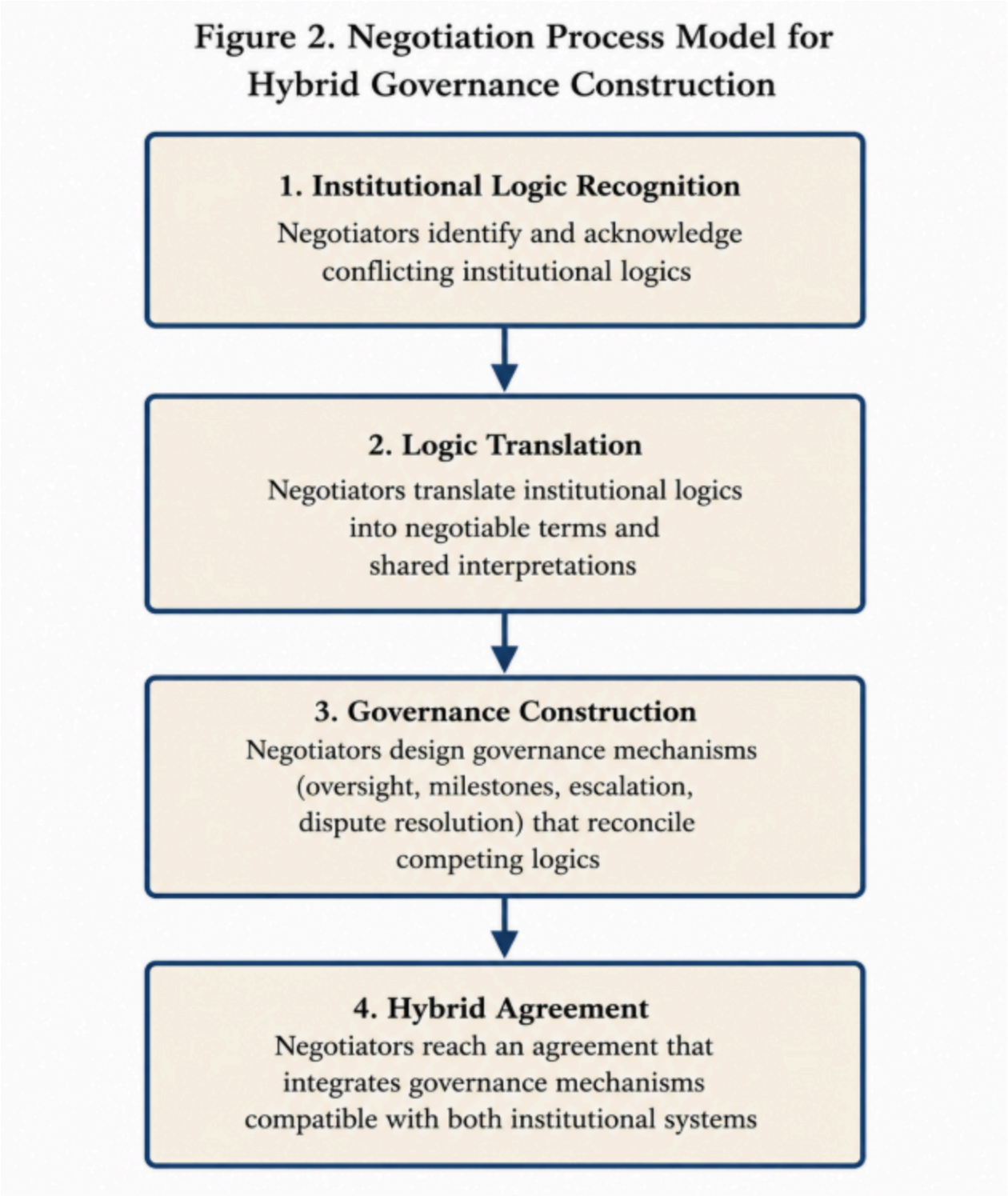


Figure 2

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