**Teaching Note**

**The Castaways**

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This teaching note was written by Austin Dcosta, Byron Ascott-Evans, Emmanuele Benatti, Fernanda Antunes, Laura Foo, Sam Kaye, and Eric Sullivan, INSEAD MBA Alumni, and Rui Ling, Research Assistant, under the supervision of Martin Schweinsberg, Associate Professor of Organisational Behaviour at ESMT Berlin, Horacio Falcão, Professor of Management Practice of Decision Sciences at INSEAD, and Eric Uhlmann, Professor of Organisational Behaviour at INSEAD, as an aid to instructors in the classroom use of the role play *“The Castaways”.*

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Notes for the Debrief Lecture

First, resolve the information asymmetry by showing both sides what the Islander and Students valued.

* The students value the islander’s wood and rope much more highly than the islander and also more highly than all their own possessions combined (students’ value is only 850 points combined for all of their own belongings). This is especially true for the minimum quantity of wood and rope they need to build a raft to get off the island (worth 2000 points to the students).
	+ The students do not want the Islander’s large stones.
* The student’s shoes, backpack, sunscreen, and cans+bottles are all valued much more highly by the Islander than by the students (who would actually prefer to get rid of their cans+bottles).
* The sum of the diving equipment is valued equally by both sides (250pts) but individual parts are valued differently: the oxygen bottle is of limited use to the Islander (can’t refill) but valuable to the students. Conversely, the mask and fins are is not very important to the students but very important to the Islander (who couldn’t create a mask or fins himself with the resources he as on the island). The two sides value the wetsuit equally. The islander, who is skilled at catching fish with nets, values the harpoon less than they do.
* The other possesions belonging to the students are valued equally by both sides, except for their clothes which the islander values less than the students.
* It increases joint value to trade the islander’s wood and rope and help building the raft in return for the student’s shoes, backpack, sunscreen, cans+bottles, and mask.
* The ideal value maximizing solution is for the islander and students to reach the “shared understanding” that the islander will help sail the raft across the water to Koh Jum and then sail it back to his secret island. In this case the islander gets the points from the students belongings they gave him+ all 500 of his own points resources since the students do not need any of his belongings permanently. This can only be awarded by the course instructor if both sides fully describe such an agreement under “shared understandings.”

Teaching Points

1. Nonverbal Communication:

* Most communication is nonverbal—words only convey a small fraction of total meaning. Tone of voice and nonverbal behavior are more important.
* Nonverbal mimicry leads to better negotiation outcomes.
* Effects of eye contact on negotiation outcomes?
* Cultural similarities and differences in nonverbal communication

**2. Power Imbalances:**

* Power in negotiation comes from your BATNA, not your status and resources. The islander is the more powerful party in The Castaways, much like Pixar was more powerful in the Pixar-Disney negotiation even though it is the smaller company.
	+ Islander BATNA = total 500 value points from own resources (wood, rope, stones)
	+ Students get -3000 points if they can’t build a raft and their collective belongings are worth only 850. They have a BATNA of negative 2150 points!
* How to negotiate with someone more powerful than you

Nonverbal behaviors that convey dominance vs. submissiveness (brings things back to communication)