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Pamela G. Schwalb
University of Nebraska- Lincoln

Rose M. Leavitt
University of Nebraska- Lincoln

John E. Barbuto Jr.
University of Nebraska- Lincoln

Michele Millard
University of Nebraska- Lincoln

Robbe Peetz
University of Nebraska- Lincoln

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Teaching & Learning

Jenny Jan's dilemma: applying the principles of resource dependence theory to vendor selection negotiations

Pamela G Schwalb, Rose M Leavitt, John E Barbuto Jr., Michele Millard and Robbe Peetz

University of Nebraska – Lincoln, Lincoln, NE, USA

Correspondence:
Pamela G Schwalb, 300 Ag Hall,
University of Nebraska – Lincoln, Lincoln,
NE 68583-0709, USA.
Tel: 402-552-3104;
Fax: 402-552-6019;
E-mail: schwalbpam@clarksoncollege.edu



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Abstract

This paper describes an original exercise developed to apply *resource dependence theory* (RDT) in an interesting and educational series of role plays. The exercise creates simulated negotiations between a fast-food sandwich shop and various supply vendors, where student actors representing these entities experience the dynamics between dependence and power. Complete theoretical background on RDT is followed by step-by-step instructions and processing information. Pre- and post-assessments, student reactions, and a photo-ready hand-out of the activity are also provided.

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Keywords: resource dependence theory; experiential exercise; vendor negotiations; role play

Introduction

Resource dependence theory (RDT) is a model in which organizations are viewed as open systems within a social context, impacted by environmental factors and in need of an ongoing supply of resources for survival (Kazley and Ozcan, 2007). No organization is entirely self-sufficient; its survival depends upon its ability to acquire and maintain scarce resources in a competitive environment (Lowry *et al.*, 1999). Consequently, organizations become embedded in networks of interdependencies and social relationships in order to obtain essential resources (Pfeffer and Salancik, 2003). These resources may come in a variety of forms, including money, prestige, legitimacy, reward and sanctions, expertise and the ability to deal with uncertainty (Mumby, 2001). As pointed out by Garner (2006), there are three conditions for dependence to occur: the resource must be critical to the organization; the provider must be in control of the allocation of the resource – with few or no alternatives available; and the provider must not be dependent upon the organization.

RDT is an approach that explores the role of power between and within organizations as a structural phenomenon with the basis in resource control and interdependence (Mumby, 2001). As organizations work to obtain resources, power shifts according to the nature of the dependency relationships. Power is gained by the ability to minimize their dependence on other organizations and

by increasing control over resources, and conversely, it is lost when dependencies on others for resources develop (Borkowski, 2009).

Power and autonomy are exchanged for resources; when an organization engages in a resource transaction with another organization, it reduces its vulnerability to environmental fluctuations, but also increases its dependence on the organization supplying the resource, thereby reducing its own autonomy and the ability to act independently (Miller *et al.*, 2002). Power is determined by the perception of the parties and the dependency relationship between them; if one organization does not perceive that it is dependent on another, then the other organization has no power over it (Garner, 2006).

There is also a competition-cooperation continuum at work in the creation of dependencies; those organizations that have a greater dependence on their network connections for required resources like information and support are more likely to be cooperative while those that are more centralized and resource-wielding will be more competitive in nature (Doerfel and Taylor, 2004). External resource dependencies impact internal power dynamics as individuals, groups, or departments maneuver to gain more power in the role of obtaining needed resources. As they reduce uncertainty created by resource dependence, manage environmental relationships, and help the organization obtain resources, more power within the organization structure is attributed to them as a result of their critical role in organization survival and success (Pfeffer and Salancik, 2003). Those with the ability to control and apply resources and services to achieve beneficial organizational outcomes accrue the most power (Jun and Armstrong, 1997).

The creation of dependencies in the pursuit of resources is a dynamic and evolutionary one where organizations adapt and maneuver in order to maintain advantage. In order to gain more autonomy, organizations may develop strategies, such as co-opting and negotiating tactics, on not only products and customers, but also on vendors and other entities that affect the flow of resources (Pfeffer and Salancik, 2003). Inter-organizational networks are created as a strategy to create resource exchange, resulting in increased effectiveness, innovation, and higher overall success rates (Mumby, 2001). In addition, organizations that are able to maintain flexibility and adaptability in their use of strategies to manage their dependencies are more

Table 1 Basic tenets of resource dependence theory

Basic tenets of *Resource Dependence Theory*

- No organization is entirely self-sufficient.
- Organizations become embedded in networks of interdependence.
- Power and autonomy are exchanged for resources.
- The resource must be critical to the organization.
- The provider must be in control of the allocation of the resource.
- The provider must not be dependent upon the organization.
- Power is gained by the ability to minimize dependence on other organizations.
- Organizations that are able to maintain flexibility and adaptability in their use of strategies to manage their dependencies are more likely to be successful.

likely to be successful (Titus, 2006). See Table 1 for a summary of resource dependence principles.

Purpose and audience for the exercise

This exercise (see Appendix A) challenges students to learn and apply the concept of RDT by immersing them in a scarce resources environment. From the exercise, students will benefit in the following ways:

1. They will develop a deeper understanding of the exchange between power and autonomy for resources.
2. They will learn to manage the dynamics of RDT.
3. Students will recognize RDT in day-to-day experiences.
4. They will practice negotiating in scarce resource settings.

This exercise was developed for both undergraduate and graduate Power and Influence courses. The activity has been used in Dynamics of Leadership and Leadership Development undergraduate courses as well. It would also be applicable in courses that study Supply Management, Operations, Procurement, and Negotiating. The recommended class size for this activity is 9–27 participants, with an unlimited but necessary number of observers (minimum of three).

Instructions for facilitating the exercise

- Instructor should cover RDT in the class session prior to the activity, if possible.
- Inform students that they will be using RDT in an exercise during the next class meeting.



- Alternatively, if time is limited, the exercise may be administered following a mini-lecture on RDT.
- Instructor should make a two-sided copy of the pre- and post-assessment quiz (see Appendix B) covering RDT, and distribute to the students prior to beginning the exercise. The following script may be used:

Before we begin the activity, please take out the quiz that was handed to you as you came in the door. This will not count against your grade in this class in any way – and your name should not be on it. There are two sides. Please turn to the side labeled “Side A Pre-Assessment.” Answer the four multiple choice questions, but please do not guess with your answers. If you aren’t sure, select “I would only be guessing.”

Ask students to put the quiz to the side while proceeding with the exercise.

- Divide the class into nine groups with one to three students in each. The nine groups include one group representing Jenny Jan’s, four groups representing bread vendors, three groups of peanut butter vendors, and one group as the jelly vendor. A tenth group of unlimited size will serve as observers to the entire negotiation process. It is important to have at least three students in the observation group.
- In the role play, Jenny Jan’s Sandwich Shoppe wishes to add organic peanut butter and jelly sandwiches to their current menu, which until now was exclusively hoagies made with deli meats and cheeses. Jenny Jan’s purchases all of the supplies that go into making their sandwiches. As such, they need to negotiate with restaurant supply vendors for premium, high-quality, organic bread, peanut butter, and jelly.
- Distribute handout (see Appendix A) that identifies the various teams and describes the objective of the exercise. This requires separating the unique instructions to each team to ensure that competing groups do not learn each other’s limitations and/or objectives.
- Each of the nine teams is individually briefed on their role and negotiation position, as described below. This is also the information contained in the handout, Appendix A. Only team members are aware of their specific position, as follows:
 - Jenny Jan – Needs to acquire bread, peanut butter, and jelly resources for new product offering. They will lead eight individual negotiations with the identified vendors. In addition, the Jenny Jan student team is coached on how to compromise, what can be compromised, negotiating strategies, etc. Extra attention should be given to their understanding of RDT. It is especially important they understand that their survival is dependent upon the ability to acquire and maintain resources through relationships with the bread, the peanut butter, and the jelly vendors.
 - Each group is encouraged to be creative in the negotiations. Each vendor team should highlight the benefits of working with them as the vendor of bread or peanut butter, while minimizing the constraints they may have in meeting Jenny Jan’s needs. This discussion should emphasize the trade-offs the vendors are willing to make; as they have less power and autonomy over Jenny Jan’s in this competitive environment.
 - Bread Vendor 1 – Can only make deliveries on Mondays.
 - Bread Vendor 2 – Requires a minimum order guarantee.
 - Bread Vendor 3 – Will provide bread only if they are the exclusive provider for not only bread, but also the hoagie rolls.
 - Bread Vendor 4 – Will work out a deal – whatever it takes.
 - Peanut Butter Vendor 1 – Wants a percentage of sales for branding, name recognition.
 - Peanut Butter Vendor 2 – Wants to be paid cash-on-delivery (COD).
 - Peanut Butter Vendor 3 – Will work out a deal – and in fact, guarantees they will meet or beat any other vendor’s terms.
 - Jelly Vendor – Is a subsidiary of Bread Vendor 3, and will not supply its brand-name jelly unless bread from Vendor 3 is used.
- Give each group approximately 10 min to organize and develop a strategy for negotiation. Groups should name themselves and develop a signature or brand – some unique selling point – to use in the negotiation.
- When negotiations commence, the Jenny Jan group begins with the bread vendors, and negotiates individually with each. While negotiating, any vendors who have not yet presented should wait outside of the room until their group is called. After each group has finished their negotiation, they may remain as silent observers in the room. This will make the reflection and processing at the end of the exercise richer.

The observation group should be present for all negotiations. Instructors should be firm in allowing 5 min or less for each negotiation. Communicate this in advance to all teams.

- The Jenny Jan team should be allowed no more than 3 min to consider the proposals from each group of vendors (bread, peanut butter, and jelly), and form a tentative agreement with one of the bread vendors before moving to the peanut butter vendors. The same process is followed where Jenny Jan negotiates individually with the peanut butter vendors, with competing vendors out of the room until called. After a tentative agreement is reached with a peanut butter vendor, Jenny Jan begins negotiations with the jelly vendor.
- The jelly negotiation will be interesting because there is only one vendor. This will demonstrate resource dependence, and alter the power of Jenny Jan, as well as some of the previous vendors.
- Depending upon time constraints, instructors can either allow the Jenny Jan team to reopen negotiations with bread vendors based on their decision about jelly, or end the exercise after the jelly negotiation. When all negotiations have been completed, the team members and observers will process the experience.
- If students have brought bread, peanut butter, and jelly, the instructor may wish to take a short break to allow them to enjoy sandwiches before resuming the discussion and processing the learning.
- After processing the learning, instructors should ask the students to turn over the quiz they took earlier to Side B, and take the post-assessment quiz (see Appendix B – correct answers are c, c, e, d).

Processing instructions

Although the negotiating positions are scripted, there may be several acceptable solutions to each round. It is important to focus on the students' work as a team and the rationales for their negotiating styles, demands, compromises, etc. As you process each of the negotiating rounds at completion of the exercise, emphasize the major aspects of RDT (see Table 1). Keep students focused on the interaction between power, autonomy, perception, competition, cooperation, and dependence, as applicable. The instructor should allow adequate time for debriefing (i.e., explaining basic levels of the activity focus and content) and processing (i.e., providing participants the opportunity

to reflect, integrate and apply learning). Allow for at least 15 min for students to discuss and process all that they have just experienced. It may be advantageous to have the students continue to sit with their team members during debriefing and processing. Asking questions of specific teams, unique to their negotiation scenario, is recommended. The rest of the class may listen and comment. Be sure to involve the observation-only members of the class for their objective views of the proceeding. Following are discussion points and reflective questions to ask members of the designated teams to facilitate processing. Also provided are likely outcomes the instructor may anticipate.

Jenny Jan group

To summarize the lesson, one can draw from the basic theory as described by Davis and Cobb (2009) that selecting the least-constraining approach with partners will minimize uncertainty and dependence and maximize autonomy.

Reflective questions may include:

- To what extent did your group feel that it was in control of its own destiny?
- What other dynamics impacted your group?
- What resources were critical to Jenny Jan?
- Which vendors (if any) were critical?
- If you could go back and re-play the exercise, what would you do differently?

The Jenny Jan team will most likely talk about how easy the negotiations went when there were a number of vendors to choose from. They will focus most of their reflection on the difficulty when there was only one vendor with some challenging terms to arrive at a deal. At this point, remind students that the situation they found themselves in with the jelly vendor may not be that unusual. Point out that one cannot get a coke product from Taco Bell, Pizza Hut, or Kentucky Fried Chicken, as they are a subsidiary of PepsiCo. Other examples include getting anything other than Newman's Own Coffee from McDonalds, and up until recently, the ability to use an iPhone on any other network than AT&T. Ask them to think of other examples where certain vendors and/or products are tied together.

Bread and peanut butter teams

In the first series of negotiations, there are four bread vendors and three peanut butter vendors. With so many alternatives, vendors have less power.



Processing questions may include:

- Were you aware of your competitors' strengths and weaknesses?
- How did you try to differentiate your product?
- What was the impact of so many competitors to your negotiating position?
- Did you have any dependence on Jenny Jan?

Students from the bread and peanut butter teams will likely talk about the challenge of differentiating a common, ubiquitous product. They may feel they could only compete on price, and felt restricted by the negotiating positions assigned.

Jelly team

The negotiation with the jelly vendor demonstrates the power shift that occurs for Jenny Jan's. There is only one jelly vendor and Jenny Jan's is now dependent on them if they wish to add peanut butter and jelly sandwiches to their menu. In addition, the ownership relationship with a bread vendor further limits Jenny Jan's choices.

Questions to stimulate reflection by the students on the jelly, Bread Vendor #3, and Jenny Jan teams could include:

- What was your position of strength?
- Did a power shift occur? How/when was power gained? How/when was power lost?
- What was the role of perception in the power shifts?

It is typical for the students on the jelly team to report they felt power, and could even bully Jenny Jan team members. The instructor should be prepared for the eventuality that the Jenny Jan team may elect an alternative to jelly. If the group of students on this team is uncomfortable with the shift in power, they may elect to offer bananas or pickles or some other substitute for jelly on the peanut butter sandwich. There is a slightly different lesson in power, resource dependence, and negotiation in this case.

Processing summary

It is helpful to remind students that the dynamics of RDT occur across all organizational settings where there are varying degrees of scarce resources and interdependencies. In addition to the questions listed above, processing may include some or all of the following steps:

- Identify the key components of RDT. Have each team identify which components were the most salient within their roles of the activity.

- Within each negotiating team, have the participants discuss the following questions:
 - What were our resources? What level of demand was there for these resources?
 - What kind of power did our position provide? How could we have leveraged our position to gain more power?
 - What types of strategies could we have used to improve our position? In retrospect, were there options that we could have explored?
 - What kinds of communication did we use within our team? With the Jenny Jan team? How could we have used communication as a more effective tool in negotiation?
 - Did any leadership roles emerge in this process? What impact did the "leaders" have on this process? Have each negotiation team report a summary of their experience to the group. Ask for feedback on the performance of the negotiation teams.
- Ask students where they see RDT applied in their own experiences.
- Create a list of suggestions to manage *resource dependence* more effectively. Ideas might include: gain more autonomy by developing co-opting strategies, requiring at least two vendors for all major supplies, or creating inter-organizational networks to create resource exchanges.

Student reactions

Reactions to this exercise typically feature students discussing the power, or lack of power, depending upon which of the negotiating teams they are on. Students participating in these exercises in the roles of the bread and peanut butter vendors used words like "desperate," "limited," and "frustrated" when describing what it was like to have to compete with so many others. Some of the teams became very creative as they tried to differentiate themselves and be selected as the vendor of choice, offering deals such as "buy one, get one free," "#1 choice of choosy mom's," "bread expands when toasted," and online recipes.

Members of the Jenny Jan team often report feeling "really great" when they can negotiate what they want with so many choices – they felt they were able to get what they wanted. The students from the jelly team said they were pretty confident, they knew they were a critical resource and had power in being the sole provider.

Conversely, bread and peanut butter vendors believed their work to be difficult in an environment of so much competition. They may describe themselves as “powerless,” and feeling “backed in a corner.” When negotiating with the lone Jelly vendor, Jenny Jan team members typically report that they went from feeling very powerful, to feeling powerless. “Not cool,” as one student put it. They commented that their power decreased, when their dependency increased.

Team members from the bread and peanut butter vendors developed new strategies on the fly when it appeared their offer would not be accepted. Some of these strategies included: exchange of goods, trade-offs, creative solutions, out-of-the-box adaptations, and cooperative transitions. One student noted that when competing, he felt very isolated in addition to powerless.

Representatives from the jelly and bread #3 vendors learned that interdependence and cooperation increased their power. In this case, students reported that as dependency on a major customer such as Jenny Jan increased, the need for cooperation also increased.

An interesting situation arose from one of the exercises: the Jenny Jan team would not relinquish power to the jelly vendor. They did not wish to get their bread from vendor #3, and disliked the dependence and feeling of powerlessness at the hands of the jelly vendor. They decided that the jelly was not critical – they would offer just peanut butter on bread, or perhaps banana, pickle, or marshmallow accompaniments. Should such a situation arise and time permits, instructors may wish to allow this change in scenario play out as further deepening of the RDT would certainly be a result of changing dependencies and power.

Advancing the applications of the concept

After completing the exercise and processing the negotiation scenarios, there is an opportunity for drawing strong inferences and generating a rich dialogue. For example, instructors may explore the balance between power, conflict, interdependence, and exchange in the various negotiating role plays. It may be noted that negotiating strategies for Jenny Jan should form a continuum from least to most constraining. A different approach was needed when there were many vendors, for example four bread vendors, than when there was a sole vendor, for example, jelly. Critical thinking skills on the part of the students should be encouraged to

find and maintain alternatives to the sole-source vendor scenario.

Students may be asked to expand the application of RDT to explore best practices in interdependent organizational settings. Themes such as alliances, joint-ventures, etc. may emerge in this dialogue. They should brainstorm other types of alliances to arrive at such forms as licensing and franchising agreements, shared marketing arrangements, minority investments, etc.

Discussion may lead to a strategy of co-opting dependence. Jenny Jan could invite executives of constraining vendors onto their board to gain support. Finally, a discussion around a possible merger or acquisition should be vetted. Instructors may encourage students to call upon current events as examples of RDT, discussing and analyzing the shifting of power, the value exchanged between parties, and interdependencies. One timely example is the negotiations between the US auto manufacturers and the autoworker unions. This discussion will allow the students to open their minds to other possibilities and applications of the concept as well as implications to leaders and application in the workplace. The discussion will reinforce the concept of RDT and will encourage strong introspection both inside and outside of class.

Assessing the effectiveness of the exercise

The effectiveness of the exercise was assessed using three independent student samples. This section describes the research design used.

Sample

Data from 64 students enrolled in three separate undergraduate classes at a large midwest university were used to test pre- and post-comprehension of the material. The first two studies consisted of 41 students enrolled in two sophomore-level leadership development courses. The third study consisted of 23 students enrolled in an undergraduate, junior level dynamic leadership course.

Procedures

The data were collected in a classroom setting during normal class hours. Prior to beginning the exercise, students were administered a brief, four question, multiple-choice quiz regarding the principles of RDT. Students were informed that this would not count against their grade in the class, but was designed to determine their knowledge of the concept prior to participating in the exercise, and

that they should not include their name on the quiz. They were directed not to guess with their answers, and if unsure, to select the “I would only be guessing” answer provided for each of the questions.

Once the pre-assessment was completed, students were asked to put aside the quiz until the exercise was completed. Once processing was completed, the students were asked to turn over their quizzes, where the same four multiple-choice questions and answer choices were presented in a post-assessment quiz. Again it was emphasized that the quizzes would not be graded, and the post-assessment was to determine their knowledge of the concept after participating in the exercise. The pre- and post-assessments were gathered at that time. Participation in the exercise was part of the normal classroom environment.

Measures

Pre- and post-test measures consisted of the same four multiple-choice questions (see Appendix B). Students were asked about the principles underlying RDT. The responses for the questions were examined to determine the accuracy of students'

knowledge. For each question, students could score either 0 (the answer was incorrect) or 1 (the answer was correct) on the pre- and post-tests.

Analysis and results

To compare pre- and post-exercise comprehension of RDT, simple *t*-tests were used. Across three samples, the pre-test mean (ranging from 0 to 4 correct) was 0.68 (SD=1.16), while the post-test mean was 3.28 (SD=0.72). *t*-tests indicate that this difference was significant at $P < 0.001$ (see Table 2). Overall, after the exercise was processed, students' post-test scores greatly increased. In all cases, the student who scored the highest on the pre-test, ended up with a lower pre-test score than the student who scored the lowest on the post-test. Tables 2–5 depicts the comparison of the means for pre- and post- test scores for all classes.

Conclusions

This exercise was designed to create an active learning experience for students exploring the role of power between and within organizations as a structural phenomenon with the basis in resource control and interdependence. More specifically, the

Table 2 Comparison of means for pre and post-test resource dependency – Samples 1, 2, and 3

	<i>N</i>	<i>Mean</i>	<i>SD</i>	<i>Standard error</i>	<i>t</i>	<i>95% Confidence interval</i>	
						<i>Lower</i>	<i>Upper</i>
Pre-test	64	0.68	1.16	0.14	4.71*	0.39	0.97
Post-test	64	3.28	0.72	0.09	36.30*	3.10	3.46

* $P < 0.001$.

Table 3 Comparison of means for pre and post-test resource dependency – Sample 1

	<i>N</i>	<i>Mean</i>	<i>SD</i>	<i>Standard error</i>	<i>t</i>	<i>95% Confidence interval</i>	
						<i>Lower</i>	<i>Upper</i>
Pre-test	18	1.00	1.13	0.26	3.72*	0.43	1.56
Post-test	18	3.61	0.50	0.50	30.54*	3.36	3.86

* $P < 0.001$.

Table 4 Comparison of means for pre and post-test resource dependency – Sample 2

	<i>N</i>	<i>Mean</i>	<i>SD</i>	<i>Standard error</i>	<i>t</i>	<i>95% Confidence interval</i>	
						<i>Lower</i>	<i>Upper</i>
Pre-test	23	0.14	0.57	0.12	1.44	−0.07	0.42
Post-test	23	3.21	0.73	0.15	20.96*	2.89	0.353

* $P < 0.001$.

**Table 5** Comparison of means for pre and post-test resource dependency – Sample 3

	N	Mean	SD	Standard error	t	95% Confidence interval	
						Lower	Upper
Pre-test	23	0.95	1.46	0.30	3.14**	0.32	1.58
Post-test	23	3.08	0.79	0.16	18.67*	2.74	3.42

* $P < 0.001$; ** $P = 0.005$.

exercise applies RDT to a simulated scarce resource, vendor negotiation environment. While participants report a valuable experience gained from the activity, the objective indicators also demonstrate increased content knowledge. Three studies testing

the effectiveness of the exercise appear to demonstrate a useful learning tool for instruction. It is our hope that instructors and trainers utilize this exercise to challenge students to learn and apply the concept of RDT.

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Appendix A

Purpose: This exercise challenges students to learn and apply the concept of resource dependence theory by immersing them in a scarce resources environment.

Group size: Nine groups, 1–3 students each; and a tenth group of unlimited size.

Time: Approximately 60–90 min.

Preparation: If desired, have volunteers sign up the week before to provide bread, peanut butter, and jelly. Sandwiches can be made and consumed while processing at the end of the exercise.

Jenny Jan's Sandwich Shoppe wishes to add peanut butter and jelly sandwiches to their current menu of hoagies made with deli meats and cheeses. They purchase all of the materials that go into their sandwiches. As such, they need to negotiate with vendors to supply the bread, peanut butter, and jelly.

The class should be divided into nine teams of 1–3 students: the first representing Jenny Jan's, four teams representing bread vendors, three teams of peanut butter vendors, and one team as the jelly vendor. A tenth team is made up the remainder of the class and will serve as observers.

The Vendor teams will be provided with specific negotiating positions.

- Negotiation 1: Bread Vendor 1
- Negotiation 2: Bread Vendor 2
- Negotiation 3: Bread Vendor 3
- Negotiation 4: Bread Vendor 4
- Negotiation 5: Peanut Butter Vendor 1
- Negotiation 6: Peanut Butter Vendor 2
- Negotiation 7: Peanut Butter Vendor 3
- Negotiation 8: Jelly Vendor

Each group is to name themselves and develop a signature or brand – some unique selling

point – and is encouraged to be creative in the negotiation process within the assigned negotiation position.

The Jenny Jan team will negotiate with the vendors one at a time while the other vendor teams wait outside the room. Following the bread vendor negotiations, a tentative agreement is formed with one of them. The Jenny Jan team moves on to the Peanut Butter Vendors, and following negotiations forms a tentative agreement and then moves on to negotiate with the Jelly Vendor. At the end of all negotiations, the Jenny Jan team shall have formed agreements with a bread vendor, a peanut butter vendor, and a jelly vendor.

Instructor: Cut at the lines below. Provide each team their unique instructions as described. This information should not be shared between teams. Allow approximately 10 min for the teams to come together, name themselves, develop a selling proposition and negotiation strategy.

Team 1 – Bread Vendor 1

You are a bread vendor. Your goal in this activity is to be chosen. Your one restriction while negotiating is:

You can only make deliveries on Mondays.

Team 2 – Bread Vendor 2

You are a bread vendor. Your goal in this activity is to be chosen. Your one restriction while negotiating is:

You require a minimum order guarantee.

Team 3 – Bread Vendor 3

You are a bread vendor. Your goal in this activity is to be chosen. Your one restriction while negotiating is:

You will provide bread only if you are the exclusive provider for not only bread, but also the hoagie rolls.

Team 4 – Bread Vendor 4

You are a bread vendor. Your goal in this activity is to be chosen. Your one restriction while negotiating is:

You will do anything to be Jenny Jan's vendor.

Team 5 – Peanut Butter Vendor 1

You are a peanut butter vendor. Your goal in this activity is to be chosen. Your one restriction while negotiating is:

You want a percentage of the sales.

Team 6 – Peanut Butter Vendor 2

You are a peanut butter vendor. Your goal in this activity is to be chosen. Your one restriction while negotiating is:

You want to be paid cash-on-delivery (COD).

Team 7 – Peanut Butter Vendor 3

You are a peanut butter vendor. Your goal in this activity is to be chosen. Your one restriction while negotiating is:

You will work out a deal – and in fact, guarantee you will meet or beat any other vendor's terms.

Team 8 – Jelly Vendor

You are a jelly vendor. Your goal in this activity is to be chosen. Your one restriction while negotiating is:

You are a subsidiary of Bread Vendor 3, and will supply the jelly only if Vendor 3 supplies the bread.

Team 9 – Jenny Jan Sandwich Shop

You represent a successful sandwich shop. Recently, competition has moved into your market, offering not only deli sandwiches, but also children's meals. To respond to this competition, you need to expand your product line. You have decided to add peanut butter and jelly sandwiches to your menu.

You are looking for premium, high quality organic products that cannot be found in the local grocery stores. You project substantial sales for this addition to your product line, and plan to acquire all of your supplies to make the sandwiches.

Your goal in this activity is to negotiate best possible terms with a bread vendor, a peanut butter vendor, and a jelly vendor. Your survival is dependent upon the ability to acquire and maintain resources through relationships with your vendors.

Appendix B

Pre- and post-assessment

- (1) *Resource dependence theory* (RDT) is a model in which organizations are
 - a. viewed as a closed system within social context;
 - b. independent of environmental factors;
 - c. in need of an ongoing supply of resources for survival;
 - d. entirely self-sufficient
 - e. any answer would be a guess on my part.
- (2) RDT explores the role of power between and within organizations. As organizations work to obtain resources all the following occur, *except*:
 - a. power is gained when dependency for resources develops;

- b. power is gained by increasing control over resources;
 - c. power is gained by increasing dependence on other organizations;
 - d. power is gained as power shifts according to the dependency of the organization;
 - e. any answer would be a guess on my part.
- (3) Power and autonomy are exchanged for resources when organizations
- a. engage in resource transactions with other organization to decrease vulnerability to environmental fluctuations;
 - b. increase dependence on organizations supplying the resource;
 - c. increase dependence on network connections in order to be more competitive;
 - d. perceive the dependency relationship in determining the organization's power;
 - e. all of the above;
 - f. any answer would be a guess on my part.
- (4) Organizations adapt and maneuver in order to maintain an advantage. To gain more autonomy, organizations do all of the following, *except*:
- a. co-opting and negotiating tactics on products and customers;
 - b. control and apply resources and services to achieving organizational outcomes to accrue power;
 - c. negotiate with vendors that affect the flow of resources;
 - d. work independently to secure resources to increase effectiveness;
 - e. any answer would be a guess on my part.

About the authors

Pamela Giardina Schwalb is Assistant Professor at Clarkson College. Prior to teaching, she held a number of roles in a corporate environment, including chief financial officer, and chief procurement officer for a Fortune 100 Company. Her research interests include sustainability

leadership, spiral dynamics, and spirituality in the workplace. She is presently a doctoral candidate in the Leadership Studies Program at the University of Nebraska-Lincoln. She can be reached at schwalbpam@clarksoncollege.edu.

Rose Leavitt is a doctoral candidate in the Leadership Studies Program at the University of Nebraska-Lincoln. She received her M.S.N. in Nursing Education from Nebraska Methodist College. She works with continuing education for health-care professionals. She can be reached at roselrn@huntel.net.

John E Barbuto, Jr. (Jay) is associate professor of Leadership at the University of Nebraska-Lincoln. His research interests include servant leadership, work motivation, global mindset, LMX, antecedents of leadership, influence processes, and pedagogical methods. He has published over 75 papers in journals such as *Organization and Management Journal*, *Leadership Quarterly*, *Group and Organization Management*, *Journal of Leadership and Organizational Studies*, and *Journal of Management Education*. He can be reached at jbarbuto@unl.edu.

Michele Millard is a doctoral candidate in the Leadership Studies Program at the University of Nebraska-Lincoln. She received her M.S. in Community Psychology from Texas Christian University, and a B.S. in Psychology from Southeastern Louisiana University. She is an academic consultant for the Creighton University School of Medicine and works with academic success and professional development of medical students. She can be reached at mmillard@cox.net.

Robbe Peetz is a clinical laboratory scientist from O'Neill, NE. She earned her M.S. degree in Leadership Education with a minor in Quantitative, Qualitative, and Psychometric Methods from the University of Nebraska-Lincoln in 2010. She is currently pursuing a Ph.D. in Leadership Education and a M.S. in Physician Assistant Studies. Her research interests include healthcare workplace motivation, servant leadership, and differences between generational cohorts in health-care settings. She can be reached at turby10cj@yahoo.com.