

OPIM 691: NEGOTIATION

The Wharton School
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OVERVIEW

We negotiate everyday. We enter into negotiations with potential employers, coworkers, spouses, roommates, landlords, parents, merchants, and many others. Determining what price we will pay, how much we want to be paid, who will clean the kitchen...all of these are negotiations. Yet, while we negotiate often, many of us know very little about the strategy and psychology of effective negotiations. Why do we sometimes get our way while other times we walk away feeling frustrated by our inability to achieve the agreement we desire?

Negotiation is the art and science of securing agreements between two or more interdependent parties. This course has two purposes. First, we will discuss and apply theories developed as guides to improving negotiation (the science). Second, students will develop and sharpen negotiating skill by negotiating with other students in realistic settings (the art).

This course is designed to complement the skills learned in other courses at Wharton. A basic premise of the course is that while analytical skills are vital to the discovery of optimal solutions to problems, businesspeople need a broad array of negotiation skills to get these solutions accepted and implemented. The purpose of this course is to understand the theory and processes of negotiation, and to develop expertise in managing negotiations in various settings.

NEGOTIATION EXERCISES

Attendance:

Students are expected to participate in all class discussions and negotiation exercises. Missing an exercise costs you an opportunity to learn and disrupts the careful balance and pre-assignment of negotiation partners. Accordingly, attending every class is mandatory. Each class missed (except for verified illness, religious holiday, death in the family, or other serious situations approved, if possible, in advance) will result in a reduction of 2.5 points per absence. Note that missing class because of a job interview, leaving town early for/returning late from a break, or extracurricular activities, will not excuse you from this grade reduction. Absences CANNOT be made up (i.e. if you miss a class you will not receive credit for attending the same class offered to another of my sections).

Moreover, it is essential that you arrive at class on time. Students who arrive late to class and miss a substantial portion of the negotiation will be graded down appropriately. In other words, for this class to work, you must make it one of your top priorities this semester in terms of class attendance. Enrolling in this class constitutes acceptance of these policies.

Preparation for the negotiation exercises:

For several negotiations I will hand out the role materials in advance in order to provide you ample time to prepare. You will be asked to fill out a preparation sheet due at the beginning of class on the day of the negotiation. Please bring two copies of each preparation sheet: one that you will submit at the start of class, the other is for you to use during the negotiation. Each preparation sheet counts for 4 points of your grade. If you will be absent for a negotiation, do keep in mind that you must still submit a preparation sheet for that exercise, even though you will not be negotiating. Turning in these assignments after their deadline will be graded down appropriately. Satisfactory and timely completion of these assignments will constitute 20 points of your final grade.

Class Feedback:

An important part of being an effective negotiator is developing a positive reputation. To ensure that you think about your reputation in addition to your negotiation outcomes, 15 points of your final grade will be determined by how other students evaluate you. Specifically, students will be asked to rate their counterpart negotiators on several dimensions related to negotiation. These evaluations will remain anonymous. An average score will be calculated for each student.

Notes about the negotiation exercises:

- The written background information you will receive in each exercise is meant to represent the preferences and knowledge of real people. You should not show anyone else your written materials before, during, or after the negotiation, because in natural settings you could not show people your internal preferences and knowledge. You should NEVER reveal your point structure to the other participants in the negotiation, or to others in the class. Also, you may not discuss the exercises with other students outside of your class either before or after the negotiation. Other sections of the course may use the same exercises, but at different times throughout the semester. It is crucial that you do not divulge any information to other students regarding the exercises in this course.
- You should not make up facts which are not in the exercises. People make up facts in real negotiations, of course, but facts that are made up in these exercises are hard for others to check. We have also found that people who make up facts do not learn to negotiate. Lying gives them a strategic advantage (of debatable ethicality) which enables them to do well without facing the risk of several legal and reputational penalties, and without facing up to the more fundamental and difficult aspects of negotiating. If a direct question is asked about which your materials give you no information, you should reply “that information is not available to me.” Using this reply when you do, in fact, have information which answers the direct question is equivalent to making up facts.

1. Written Assignments

Students will turn in a number of written assignments during the term. These assignments include two Analysis Papers and a Persuasion paper. All papers should be typed, double spaced, 12 pt, times new roman font, 1 inch margins, and submitted at the beginning of the class period on the due dates. Any papers not in this format or turned in late will receive appropriate grade deductions.

Analysis Papers (40 points):

Two analysis papers will be turned in. Each analysis paper is worth 20 points. Analysis papers should analyze a course negotiation exercise, and identify what was learned from the experience, using concepts introduced in class and in the readings. Each paper should not exceed three pages. These assignments should not be a transcript of every detail of the negotiation. Instead, papers should highlight key lessons learned from the exercises, emphasizing analysis, interpretation, and introspection in order to link your individual negotiation experience with concepts about negotiation more generally.

Persuasion Paper (25 points):

Go participate in a negotiation and write three pages on your experience. Briefly describe what happened, but focus on analyzing the negotiation process, as well as the outcome. Were you successful? Why or why not? In retrospect, do you think there is something you could have done differently? Explain.

Guest Lectures:

There are two guest lectures scheduled this semester, dates and times to be announced. These lectures will provide an outside perspective on negotiations. These lectures are common to all sections of the course, and viewing these lectures is MANDATORY. Details about the lectures will be made available as the dates approach. To keep the number of classes at the universally prescribed level, two normal class days will be canceled during the semester; however, these are NOT the same days the speakers are scheduled.

Materials:

- Course Pack of readings.
- Articles, exercises, and other handouts distributed in class.
- Fisher & Ury. Getting to Yes.
- Shell. Bargaining for Advantage.