

# Management 691: Negotiations

---

Instructor: Professor Adam Grant  
E-mail: [grantad@wharton.upenn.edu](mailto:grantad@wharton.upenn.edu)  
Phone: 215.746.2529  
Office: 2106 Steinberg Hall-Dietrich Hall  
Office Hours: Mondays and Wednesdays,  
12-1pm and 3-4:30pm



---

## Course Meeting Times and Locations

Fall 2009 (section 412): Mondays and Wednesdays, 1:30-3pm, JMHH F38

## Course Description

We negotiate daily with potential employers, co-workers, bosses, landlords, merchants, service providers, partners, parents, children, friends, roommates, and many others. Our negotiation skills affect what price we will pay, the amount of our salary and compensation, what movie we watch, and who will clean up the kitchen. Why do we sometimes get our way, while at other times walk away frustrated by our inability to achieve the agreement and resolution we want?

Negotiation is the art and science of securing agreements and resolving disputes between two or more interdependent parties. The purpose of this course is to help you develop expertise in managing negotiations that occur in a variety of business settings. It is designed to be relevant to a broad spectrum of problems faced by managers. As a manager, you not only need analytical skills to discover optimal solutions to problems, but also good negotiation skills to get these solutions accepted and implemented.

The learning method is experiential. You will prepare for and engage in a variety of negotiation exercises (individually, and as a team). The objective is to explore your talents, skills, shortcomings, and strengths as a negotiator in a safe setting, to learn about yourself and how you respond in specific situations. If you discover a tendency that you think needs to be changed, this is the place to try something new. The course is sequenced so that cumulative knowledge can be applied and practiced. The skill set you develop here will serve you in both your personal and professional life.

## Course Objectives

- (1) Become a more *knowledgeable negotiator*. Develop a toolbox of effective negotiation principles and tactics derived from rigorous theory and research.
- (2) Become a more *effective negotiator*. Learn how to apply this toolbox of principles and tactics in practice to improve your negotiation skills, processes, and outcomes.
- (3) Become a more *reflective negotiator*. Adopt the habit of continually evaluating, and seeking to enhance, your knowledge and effectiveness.

## **Required Readings**

- *Negotiation: Readings, Exercises, and Cases* (5<sup>th</sup> Edition), edited by Roy Lewicki, Bruce Barry, and David Saunders. ISBN-13 9780072973105
- *Getting to Yes: Negotiating Agreement Without Giving In*, by Roger Fisher, William Ury, and Bruce Patton. ISBN 0140157352

## **Course Philosophy**

**Attendance:** Given the experiential nature of the course and pedagogy, enrollment is limited, and prepared attendance is mandatory. You may miss one negotiation exercise without penalty if you provide me with advance notice and, if I request, make arrangements for a substitute. If you miss a second exercise, you will lose a letter grade. If, in conjunction with any miss, you do not provide advance notice or fail to provide a substitute when required to do so, you will lose a letter grade in the class.

**Confidentiality:** Any information you receive for a negotiating exercise is confidential. Never assume that role materials are identical, even if a classmate is playing the same role. Unless you are explicitly told that you can share information and strategize together, your information is strictly confidential. During a negotiation, you may verbally disclose to other negotiators any information in your confidential role instructions, if you wish, but do not physically show your confidential information to *any* other negotiator, even a teammate, until the assignment is completed. You may show them any document that you create on your own. In addition, please do not discuss cases with, or borrow notes from, people outside of class. Class discussion stays in class. Please do not share any information about negotiation simulations with students who have not taken this class. It is an honor code violation to post anything about the negotiation simulations on a public website, or to conduct Google searches about cases.

**Case Information and Lies:** The information that you need in order to negotiate is provided in the case materials. Lying during negotiations is illegal and unacceptable in this course. Please do not make up facts that improve your bargaining position. During a negotiation exercise, if you are asked a question calling for information that is not contained in your confidential instructions (the answer to which would substantially influence the structure of the case), the appropriate answer is, “I don’t know.”

**Don’t Spoil the Outcome for Others:** When you have completed a simulation, please do NOT reveal your information to the other party, or with members of another team, before returning to the classroom. The simulations do not always end when you sign an agreement in a break-out room. After the negotiation debrief (class discussion) you may share your confidential information, but you are not obliged to do so.

**Subjective Nature of Learning:** You enter this class with a unique set of skills that are based on your past experience and your personal style. You will reflect on your negotiation behavior and recognize idiosyncratic patterns of behavior. You will distinguish between circumstances where patterns of behavior are advantageous versus situations where you are better off reframing the situation and choosing an alternative approach. Think about what motivates your behavior — that which is comfortable and/or intuitive is not always optimal. Identify your personal strengths and weaknesses and track your progress. This course provides a rare and valuable opportunity to experiment with alternative styles in a safer, more feedback-rich environment than subsequent negotiations outside of class, ranging from major salary negotiations to multibillion dollar merger negotiations. Re-assess and revise your analysis of strengths and weaknesses, as well as goals, based on your progress in the negotiation simulations. At the end of the course, you will once again set goals and define action items for your continued development in “real-world” negotiations.

**The Art is Based on Science:** There are many roads that lead to Pareto-efficient agreements. Learn to become a flexible negotiator. Incorporate new information as you negotiate and adjust your strategy accordingly. Recognize and adjust to the tactics that the other party uses. Learn to distinguish which approaches are appropriate for different situations and have multiple strategies at your disposal. Feel comfortable and confident negotiating. This course will provide you with an introduction to the science of negotiating; understanding, integrating, and implementing it will be a lifelong process.

**Special Needs:** If you need accommodation for a disability, please let me know at your earliest convenience. I am willing to make adjustments to facilitate your participation and progress. I will treat information that you provide as private and confidential.

**My Commitments for the Course:** I am committed to making this course a valuable learning experience for you. The class will be both challenging and rewarding, and I expect this to be an exciting mod. I welcome your feedback regarding the class throughout the mod. Please feel free to ask questions at any time, however large or small. It is easiest to reach me by email or during office hours, but I am always happy to set up an appointment with you.

### **Instructor Biosketch**

Adam M. Grant is Associate Professor of Management at The Wharton School. He earned his B.A. from Harvard University, where he graduated magna cum laude with highest honors in psychology and Phi Beta Kappa honors. He received his Ph.D. and M.S. degrees in organizational psychology from the University of Michigan. Before joining the Wharton faculty, he taught at UNC's Kenan-Flagler Business School, where he won UNC's three most prestigious teaching awards: the MBA All-Star Teaching Award, the university-wide Tanner Award for Excellence, and the Weatherspoon Award for Excellence. He has consulted for, studied, and taught executives at a wide range of organizations, including Borders, Time-Warner Cable, Medco, Duke Energy, Grant Thornton, the American Financial Services Association, PPD, PRA International, Eye Care Associates, Asahi Glass, the Make-A-Wish Foundation, the North Carolina National Guard, and the U.S. Air Force, Army, and Navy.

Before graduate school, Professor Grant spent three years negotiating advertising contracts at Let's Go Publications, where he set multiple company records. As the Director of Let's Go Advertising Sales, he earned the Manager of the Year award for leadership, commitment, and business acumen. He also supervised the hiring of over 300 employees, served as Director of Marketing and Business Development, and was licensed as a conflict mediator. He has numerous publications in leading academic journals, and his research has been featured in USA Today, US News & World Report, the Financial Times, and Yahoo!. He has earned major research awards from the National Science Foundation, the American Psychological Association, the Society for Industrial and Organizational Psychology, and the American Academy of Political and Social Science. He is a former All-State and All-American springboard diver, and has performed for more than a decade as a professional magician.

## **Assignments & Grading**

All written assignments will be graded on a 1-5 scale, where 5=excellent, 4=good, 3=satisfactory, 2=unsatisfactory, and 1=poor.

### **(1) Learning Journals (40%)**

Learning Journals consist of 5 components: 1 initial goal statement, 3 negotiation analyses, and 1 final goal statement. See the guidelines attached to this syllabus for a detailed description of what the journal requires and the dates of the assignments. Complete these assignments by posting them to your personal Learning Journal Folder on WebCafé.

### **(2) Reflection Paper (25%)**

For the reflection paper, I would like you to carry out and analyze a real-world negotiation. For this negotiation you should negotiate something of personal value to you. You should report on your plan, your strategy, and the negotiation results. You can negotiate for anything you would like—a good or service from a merchant, a salary from a potential employer, etc. This paper should be approximately 5 pages. It should combine elements of a planning document and the post negotiation analyses.

### **(3) Class Participation (25%)**

Participation in class discussion will be evaluated on the quality of your contributions and insights. After each negotiation exercise, a debriefing session will include sharing information about results, sharing information about strategies attempted, and sharing reactions to the process. Quality comments possess one or more of the following properties: 1) Offer a different and unique, but relevant, perspective based upon analysis and theory (not intuition or casual observation); 2) Contribute to moving the discussion and analysis forward; 3) Build upon the comments of your classmates; 4) Include evidence or logic; and 5) Link relevant concepts to current events.

### **(4) Peer Evaluations (10%)**

After each negotiation exercise, you will rate your classmates on the WebCafé site along three dimensions: 1) overall preparation and commitment to the exercises, 2) skill in one-time negotiations where the future relationship does not matter much, and 3) skill in negotiations where future relationship matters significantly.

### **(5) Extra Credit**

You can earn up to two extra credit points in the course by bringing in articles on negotiations in the popular press or examples of interesting negotiations from movies, television shows, comic strips, etc. In order to receive two bonus points, the references need to come from different mediums. If one is from a movie (fictional), the other has to come from a comic strip or newspaper article (non-fictional). A newspaper article, a radio report, a web article or television coverage of an actual event are all considered to come from the same medium. The references must illustrate a concept from the course, and you must write a few sentences describing it and how it relates to the concepts discussed in class.

**Note on LTs:** if anyone's cumulative performance on the grading criteria above is distinctly at the bottom 10%, he or she will receive a LT. If that does not yield 10%, as a tiebreaker, I will go to the bottom 25% and look to see who missed the most classes (or parts of classes) for reasons other than medical/family/religious ones. This system reflects the importance of class attendance.

## Learning Journal Guidelines

The learning journal is a confidential, written record of your personal reflections about the knowledge and skills that you are gaining during the course. You will need to write up journal entries reflecting on and analyzing 3 of your 12 negotiations during the course. These negotiation analyses will allow you to reflect on successful and failed strategies and should enable you to better prepare for and respond during subsequent negotiations. Use your journals to explore your feelings about the negotiation process and your developing sense of strengths, weaknesses, comforts, and discomforts. Note that the best journal entries spend more time exploring what you can do to improve and less time blaming others for various faults, defects, and failures. I have provided a template for these entries on WebCafé in the course materials folder. Use this template for these analyses and post them to your personal learning journal folder. For these journal entries, you should record key tools and concepts, as well as insights gained from the class discussion. In addition to the 3 negotiation analyses, you will need to write initial and final goal statements for the class. The table below shows the assignment schedule.

| Learning Journal Assignments   | Due Date              |
|--|-----------------------|
| Initial Goal Statement   | Monday, September 21  |
| Negotiation Analysis #1: choose one from the following list <ul style="list-style-type: none"> <li>• Appleton Baker</li> <li>• Biopharm-Seltek</li> <li>• New Recruit</li> <li>• Texoil</li> </ul> | Monday, October 5     |
| Negotiation Analysis #2: choose one from the following list <ul style="list-style-type: none"> <li>• STAR</li> <li>• Viking</li> <li>• Bullard Houses</li> <li>• Strategic Alliances</li> </ul>    | Wednesday, October 28 |
| Negotiation Analysis #3: Choose one from the following list <ul style="list-style-type: none"> <li>• SHARC</li> <li>• Moms.com</li> <li>• Telepro</li> <li>• Harborco</li> </ul>                   | Wednesday, December 2 |
| Final Goal Statement   | Monday, December 7    |
| Reflection Paper: Real-World Negotiation   | Wednesday, December 9 |

These journal entries should show a serious, explicit attempt to grapple with personal experiences in classroom exercises and accurately reference course concepts, discussions, readings, and lectures as they apply. Exemplary journals will regularly weave in personal insights, real-world examples, and negotiation concepts and tie them together in a compelling way. At the margin, the grades will depend on overall effort, including personal frankness and reflection. Authenticity and a serious attempt to learn are the objectives! Expectations regarding each assignment are detailed below:

- (1) **Initial Goal Statement:** 1-2 double-spaced pages in which you discuss your current negotiation strengths and weakness (prior to this course) and set concrete objectives for the semester.
  
- (2) **Negotiation Analyses:** 1-2 double-spaced pages in which you reflect on your behavior and your classmates' behaviors in the negotiation exercises. These should not be a detailed report of everything that happened in the negotiation; rather, they should focus on key insights. You must write up a negotiation analysis *for 3 negotiation exercises – one from each set (see the table above) – and upload them to your personal Learning Journal Folder on WebCafé by the due dates specified.* Your analyses should answer the following questions:

- (a) *Facts*: Provide a brief overview of key events. For example, how was time allocated? Who made the opening offer, and how did counter-offers proceed? How was information exchanged? Were there pivotal turning points?
  - (b) *Tools/Concepts*: What did you learn about bargaining or conflict management from this situation, and how do the concepts presented in the lectures or readings enrich your understanding of the process of this negotiation, its outcome, or your own style?
  - (c) *Insights*: What did you learn about yourself from this experience? What did you learn from the behavior of others in this experience?
  - (d) *Emotions*: How did you feel prior, during, and after the negotiations? How did you feel about your negotiation partner? How did your feelings influence your actions?
  - (e) *Mistakes*: What did you do that you wish you hadn't done? Why?
  - (f) *Goals*: What would you do the same or differently in the future? How will you need to behave in order to perform more effectively?
- (3) Final Goal Statement**: 1-3 double-spaced pages in which you review the most important lessons that you learned in this course, your key strengths as a negotiator, and how you hope to improve moving forward. I would recommend reviewing your class notes, negotiation exercises, and your initial goal statement before writing this paper. Excellent papers provide a clear explanation of how your goals, skills, strategies, and style evolved over the course.

## Guidelines for the Reflection Paper on Real-World Negotiations

To encourage you to think about the many everyday situations in which you can negotiate, and to challenge you to improve your negotiating skills, I am asking you to go out and negotiate in the real world. You can negotiate for anything you like – a hotel discount, a signing bonus, a piece of jewelry, or a restaurant bill. In my experience, this assignment is especially enjoyable and educational if you try to “negotiate a non-negotiable” or choose a setting where negotiation is not the norm. Here are the rules:

- (1) **Do not reveal the assignment:** You are not allowed to resort to a plea of “Please help me out, this is for a class...” You may not tell the person you are negotiating with that this is for a class project until the negotiation is completed. Then, you can decide whether to disclose this information.
- (2) **No purchase necessary:** You do not have to buy anything to complete this assignment. You may choose to be the seller or enter a negotiation that does not involve financial terms or a purchase.
- (3) **Interest in negotiating:** You must be willing (at some price, under some conditions) to acquire the item for which you are negotiating. Do not start a negotiation in which you would never want to come to agreement.
- (4) **New negotiation:** You must conduct your negotiation during the course of this semester, not write about a prior negotiation.
- (5) **Boundaries:** You cannot use negotiation tactics that may be considered unethical, illegal, or potentially harmful to yourself or others.
- (6) **Failure is an option:** You do not need to succeed in the negotiation in order to write about it. The purpose of this exercise is to facilitate your learning. Often, we learn as much or more from negotiations that fail as from those that succeed. However, if you do fail, please seek feedback from your counterpart on how you could have negotiated more effectively, and write about what you learned from the feedback. Also, if you don’t succeed, I would encourage you to try again.

Your paper should contain a description of exactly what happened and what the outcome of the negotiation was. Of course, exemplary papers will do more than simply recount the details of the negotiation. They will also discuss preparation and strategy, and will critically analyze what happened and why. You should try to include all of the relevant strategic elements of the negotiation (e.g., issues, interests, priorities, BATNAs, aspirations, outside parties, constraints, etc.) in your paper. Your grade for this paper will be based on the following criteria:

- 1) **Depth of analysis:** Have you correctly employed key concepts to assess the strategic landscape of the negotiation? How well have you applied your learning from the course to your analysis of this case?
- 2) **Introspection:** Have you linked your experiences with your goals for the course and your strengths and weaknesses? What have you learned about your negotiating style and skills from this negotiation experience? What would you do differently in the future?
- 3) **Creativity:** How unique was the context? How inventive was your strategy? How did you meet expected and unexpected challenges?
- 4) **Quality of the story:** Have you included all the relevant details? Is it interesting? Is it well-written?

The paper should be no more than 5 pages in length (double spaced, 12 point Times New Roman font, 1” margins) and is due on Wednesday, December 9<sup>th</sup>.

## CLASS SCHEDULE

### Week 1: Introduction to Negotiation

Wednesday 9/9

*In-class exercise:*     *Appleton Baker*

### Week 2: Negotiating Basics

Monday 9/14

*In-class exercise:*     *Biopharm-Seltek*

Read for class:       LBS 1-6 (The Negotiation Checklist)  
                              LBS 1-7 (Negotiation Techniques)

Wednesday 9/16

No class

### Week 3: Distributive Negotiation

Monday 9/21

*Exercise:*               *New Recruit*

**Due:**                    **Initial Goal Statement**

Wednesday 9/23

Read for class:       1-8 (Secrets of Power Negotiating)

### Week 4: Integrative Negotiation

Monday 9/28

*Exercise:*               *Texoil*

Wednesday 9/30

*Exercise:*               *STAR*  
Read for class:       LBS 1-1 (Three Approaches to Resolving Disputes)

### Week 5: Conflict Resolution

Monday 10/5

*Exercise:*               *Viking*

**Due:**                    **Negotiation Analysis #1**

Wednesday 10/7

Read for class:       Getting to Yes (Fisher, Ury, & Patton)

## **Week 6: Relationship-Building**

Monday 10/12

*Exercise:* *Bullard Houses*

Wednesday 10/14

Read for class: LBS 3-3 (High Cost of Low Trust)  
LBS 6-5 (Negotiating With Problem People)

## **Week 7: No class**

Monday 10/19 and Wednesday 10/21

*Second-Year Focused Interview Period*

## **Week 8: Coalitions**

Monday 10/26

*Exercise:* *Strategic Alliances*

Wednesday 10/28

Read for class: LBS 2-8 (Ethics in Negotiation)  
LBS 3-8 (Get Things Done through Coalitions)

**Due:** **Negotiation Analysis #2**

## **Week 9: Social Dilemmas**

Monday 11/2

*Exercise:* *SHARC*

Wednesday 11/4

Read for class: LBS 3-9 (When Interests Collide)

## **Week 10: Inter-Organizational Negotiations**

Monday 11/9

*Exercise:* *Moms.com*

Wednesday 11/11

Read for class: LBS 2-6 (Harnessing the Science of Persuasion)

## **Week 11: Third Parties and Mediators**

Monday 11/16

*Exercise:* *Telepro*

Wednesday 11/18

Read for class: LBS 6-6 (When and How to Use Third-Party Help)  
LBS 6-7 (The Manager as the Third Party)

## **Week 12: No Class**

Monday 11/23

No class – work on assignments

Wednesday 11/25

No class - Thanksgiving

## **Week 13: Group Negotiations**

Monday 11/30

*Exercise:* Harborco

Wednesday 12/2

Read for class: LBS 3-10 (Negotiating Teams)

**Due:** Negotiation Analysis #3

## **Week 14: Real-World Negotiations**

Monday 12/7

*Video Case*

Read for class: “Bargaining under the influence”

**Due:** Final Goal Statement

Wednesday 12/9

Read for class: LBS 2-3 (The Behavior of Successful Negotiators)

**Due:** Reflection Paper on Real-World Negotiation