



MGMT 691: Negotiations
Professor Nancy Rothbard
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Class Times: TTH 10:30-12:00 (MGMT 691 section 413) meets in SHDH 213

Readings

- Fisher, R., Ury, W., & Patton, B. 1991. Getting to Yes. New York: Penguin.
- Shell, R. 1999. Bargaining for Advantage. New York: Penguin
- Readings (available from study.net)

Course Overview

Every day we negotiate with potential employers, coworkers, spouses, roommates, landlords, parents, bosses, merchants, service providers, etc. Determining what price we will pay, the amount of our salary and compensation, what movie to watch, who will clean up the kitchen – all are negotiations. 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 and 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.

The art is based on science. There are many roads that lead to Pareto-efficient agreements. Over the course of the semester, you will learn to become a flexible negotiator who can incorporate new information as you negotiate and adjust your strategy accordingly. In addition, you will be

able to recognize and adjust to the tactics that the other party uses. You will have multiple strategies at your disposal and will learn to distinguish which approaches are appropriate for different situations. This course will provide you with an introduction to the science of negotiating; understanding, integrating, and implementing it will be a lifelong process.

As a result of the course, I hope you will:

- Experience the negotiation process and learn to evaluate costs and benefits of alternative actions.
- Understand more about the nature of negotiations and conflict management.
- Improve your ability to negotiate and manage conflict effectively.
- Learn how to develop a strategic plan for effective negotiations.
- Gain an intellectual understanding of central concepts in negotiation & conflict management.
- Gain confidence as a negotiator and in the negotiation process as an effective means for resolving conflict in organizations.

Grading

1. **Negotiation Exercises** (20%)

This is a class where a great deal of learning comes from your experiences preparing for and participating in negotiations exercises. Several classes have graded negotiations associated with them. You will be graded based on your outcomes compared to others negotiating in the same role as you. Thus, these outcomes are standardized based on role. Preparation is also a key component of successful negotiations. Thus, in one case, you will also be graded on how well you prepare for the negotiation. You should prepare by creating a planning document for every negotiation (a template is available on the web Café). The planning document will enable you to fully understand the nature of the particular negotiation exercise and plan strategies that will maximize your outcomes. You will be required to turn in one planning document (for the Viking negotiation) that will be graded based on the quality of the preparation.

2. **Learning Journals** (35%).

Learning Journals consist of 6 components: 1 initial goal statement, 3 negotiation analyses, 1 guest speaker write-up, 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 the web Café.

3. **Final Paper** (25%)

For the final 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.

4. **Class Participation** (10% of grade)

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.

5. **Peer Evaluations** (10%)

After each negotiation exercise, you will rate your classmates on the Web Café 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.

6. **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-fiction)). 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%, 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 as a tie breaker. This system reflects the importance of class attendance in this course.

Attendance Policy

You are expected to be prepared and on-time for all negotiation exercises. You may miss one negotiation exercise without penalty if you provide advance notice and, if requested, 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.

Honor Code

1. *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.

2. *Disclosure.* 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.

3. *Keeping the information in the classroom.* After a negotiation, do not reveal your information to the other party, or with members of another team, before returning to the classroom. Negotiations do not always end when you sign an agreement in a break-out room. 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.

4. *Case Information and Lies.* The information that you need in order to negotiate is provided in the case materials. Please do not make up facts that improve your bargaining position. For example, you cannot claim that your family has just purchased the company with which you are negotiating about a job (☺). 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.”

Learning Journal Guidelines

The learning journal is a confidential, written record of your personal learning. You will need to write up a journal entry reflecting on and analyzing 3 of the 12 negotiations you participate in during the course. You should record the insights gained and the application of negotiation principles you learn from lectures and readings. These negotiation analyses will allow you to reflect on successful and failed strategies and should allow 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, comfort or discomfort. Note that the best journal entries spend more time exploring what the author can do to improve and less time blaming others for having various faults, defects, and failures. I have provided a template for these entries on the web café in the course materials folder. Use this template for these analyses and post them to your personal learning journal folder. For these journal entries, 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 an initial and final goal statement for the class, and a reflection on insights gained from one of the two guest speakers for the course. The table below shows the assignment schedule.

Learning Journal Assignments	Due Date
Initial Goal Statement	September 22, 2009
1 st Negotiation Analysis Due – Choose one from the following set (Set 1) <ul style="list-style-type: none"> • Appleton Baker • Synertech Dosagen • New Recruit • Texoil 	October 2, 2008
2 nd Negotiation Analysis Due – Choose one from the following set (Set 2) <ul style="list-style-type: none"> • Viking • Oil Pricing • Federated Science • Bullard 	November 6, 2009
3 rd Negotiation Analysis Due – Choose one from the following set (Set 3) <ul style="list-style-type: none"> • Moms.com • Telepro • Harborco 	December 3, 2009
Final Goal Statement Guest Speaker Journal	December 8, 2009

These journal entries should show a serious, explicit attempt to grapple with personal experiences and classroom exercises and should accurately reference the conceptual materials, 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 goal! Expectations regarding each assignment are detailed below:

- (1) **Initial Goal Statement:** 1-2 page goal statement in which you should discuss your current negotiation strengths and weakness (prior to this course) and set concrete goals for the semester.

(2) Negotiation Analyses: 1-2 pages that 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, but rather key insights. You must write up a negotiation analysis **for 3 negotiation exercises – one from each set (see above table) – and upload them to your personal Learning Journal Folder on the web café by the due date specified in the above table.** The analysis should answer the following questions:

- (a) **Facts:** Provide a brief overview of key events (How was the time allocated? Offers: opening-offer and counter-offer, as well as progression of offers? 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) **Mistakes:** What did you do that you wish you hadn't done? Why?
- (d) **Insights:** What did you learn about yourself from this experience? What did you learn from the behavior of others in this experience?
- (e) **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?
- (f) **Goals:** What would you do the same or differently in the future, or how would you like to behave in order to perform more effectively?

(3) Final Goal Statement: 1-2 page goal statement that reviews your accomplishments and sets goals for continued improvement of your negotiation skills. Review your class notes, negotiation exercises, and your initial goal statement before writing this paper. This statement should:

- (a) Discuss accomplishment in terms of your initial goals.
- (b) Analyze valuable learning points from exercises, class, and readings.
- (c) Set future goals.

Final Paper – Real World Negotiation Guidelines

To encourage you to think about the many, everyday opportunities there are in which to negotiate, and to improve your negotiating skills, you are being asked to GO OUT AND NEGOTIATE. You can negotiate for anything you like – a hotel bill, a signing bonus, a piece of jewelry, anything. I encourage you to negotiate for something that is not usually negotiated. Also, you do not have to buy anything to complete this assignment. On the contrary, you may be on the sell side in the negotiation, or your negotiation may not involve a purchase at all.

There are only three rules. First, 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 (and then you can decide whether or not you want to tell them). Second, 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. Third, you must describe a negotiation you have undertaken during the course of this semester, not a prior negotiation.

The paper should contain a description of exactly what happened and what the outcome of the negotiation was. However, exemplary papers will do more than simply recount the details of the interaction. 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) The depth of your 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) Self Reflection: Have you linked your experiences with your goals for the course, 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 creative was your strategy? How did you meet expected and unexpected challenges?
- 4) The quality of the story. Have you included all the relevant details? Is it interesting? Is it well-written?

What if you try to negotiate and are not successful? Do not get discouraged! I would encourage you to try again though. If you have more than three unsuccessful attempts, then simply write about these experiences. You will not be penalized for writing about these negotiations. Often, we learn as much or more from negotiations that fail as from those that succeed.

The paper should be no more than 5 pages in length (double spaced, 12 point font) and is due on **December 8th**.

Meeting Plan
MGMT 691: Negotiations, Professor Nancy Rothbard
Fall 2009

Week 1: Finding Your Negotiating Style

Thurs. September 10

Expectations and requirements
In Class Exercise

Week 2: Negotiating Basics

Tues. September 15

Exercise: Synertech Dosagen (graded)

Thurs. September 17

Read for class BFA: Chapters 1-4

Week 3: Creating and claiming value

Tues. September 22

Exercise: New Recruit (graded)

Read for class: Prepare, Prepare, Prepare
Winning at the Sport of Neg.
Reservation Points, Resistance and BATNAs

Due: Sept. 22nd – Learning Journal Entry (Initial Goal Statement)

Thurs. September 24

Read for class: Fisher, Ury, & Patton, *Getting to Yes*
BFA: Chapter 5

Week 4: Creating and claiming value

Tues. September 29

Exercise: Texoil

Thurs. October 1

Read for class: The Negotiator's Dilemma
Why Negotiations Go Wrong

Due: Oct. 2nd – 1st Learning Journal Negotiation Analysis from Set 1

Week 5: Interests, rights, and power

Tues. October 6

Exercise: *Viking*

Due Oct. 6th at beginning of class: Planning Document (graded)

Thurs. October 8

Read for class: Three approaches to resolving disputes
BFA: Chapters 6-10

Week 6: Social Dilemmas

Tues. October 13

Exercise: *Oil Pricing (graded)*

Thurs. October 15

Read for class: Resolving the prisoner's dilemma

Week 7: SECOND-YEAR FOCUSED INTERVIEW PERIOD

Tues. October 20 No Class – Dedicated Interview Period

Thurs. October 22 No Class – Speaker Exchange Day

Week 8: Coalitions and Fairness

Tues. October 27

Exercise: *Federated Science*

Thurs. October 29

Read for class: Influence without Authority
Harnessing the Science of Persuasion

Week 9: Ethical issues in negotiation

Tues. November 3

Exercise: *Bullard Houses*

Thurs. November 5

Read for class: Three Ethical Issues
Ethics and Profitability of Bluffing in Business
BFA: Ch. 11

Due: November 6th – 2nd Learning Journal Negotiation Analysis from Set 2

Week 10: Advanced Negotiation Strategies: Inter-Organizational Negotiations

Tues. November 10

Exercise: Moms.com (graded)

Thurs. November 12

Read for class Post Settlement Settlements
Post-Settlement Settlements in Two-party

Week 11: Third Parties and Mediators

Tues. November 17

Exercise: Telepro

Thurs. November 19

Read for class When Negotiations Fail
The Mediation Process
Third Party Interventions

Week 12: Group Negotiations

Tues. November 24

Exercise: Harborco (graded)

Thurs. Nov. 26 No Class - Thanksgiving

Week 13: Group Negotiations Continued...and Real World Negotiations

Tues. December 1

Read for class: What happens on the way to yes
Negotiating Group Decisions

Thurs. December 3

In Class: *Video Case*
Read for class: Breakthrough Bargaining, Kolb and Williams
The Power of Talk, Tannen

Due: December 3 – 3rd Learning Journal Negotiation Analysis from Set 3

Week 14: Class Wrap-up and Course Summary

Tues. December 8

In Class: Class Wrap-up and Course Summary

Read for class: BFA: Chapter 12

**Due: December 8th – Final Goal Statement & Guest Speaker Journal
Final Paper on Real World Negotiation**

Thurs. Dec. 10 No Class – Speaker Exchange Day
