

# Management 691: Negotiations

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## Course Meeting Times and Locations

Mondays, 1:30-4:30pm, JMHH F45

## 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**

- *Coursepack*: Available on Study.net
- *Getting to Yes: Negotiating Agreement Without Giving In*, by Roger Fisher, William Ury, and Bruce Patton. ISBN 0140157352

## **Course Philosophy**

**Attendance:** To register for the course, you must attend the first two classes. 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, 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. If you miss a second exercise, you will receive an automatic LT for 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 semester. I welcome your feedback regarding the class throughout the term. 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.

### **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. Note that 5s will be rare; they are reserved for truly top-notch assignments. Grades for assignments submitted will be reduced by 0.5 points for each day late.

#### **(1) Learning Journals (30%)**

Learning Journals consist of 3 components: 1 initial goal statement and 2 negotiation analyses. 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 Canvas.

#### **(2) Final Reflection Paper (40%)**

For the final 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 double-spaced pages. At the end, please 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.

#### **(3) Class Participation (30%)**

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) 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). Newspaper articles, radio reports, web articles, and 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 2 of your 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 Canvas 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 negotiation analyses, you will need to write an initial goal statement and a final reflection paper. The table below shows the assignment schedule.

<b>Learning Journal Assignments</b>	<b>Due Date</b>
Initial Goal Statement	September 17
Negotiation Analysis #1: choose one from the following list <ul style="list-style-type: none"> <li>• Biopharm-Seltek</li> <li>• New Recruit</li> <li>• Texoil</li> <li>• STAR</li> <li>• Viking</li> </ul>	October 8
Negotiation Analysis #2: choose one from the following list <ul style="list-style-type: none"> <li>• Bullard Houses</li> <li>• Strategic Alliances</li> <li>• SHARC</li> <li>• Moms.com</li> </ul>	November 12
Final Reflection Paper	December 3

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 weaknesses (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 2 negotiation exercises – one from each set (see the table above) – and upload them to your personal Learning Journal Folder on Canvas 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 Reflection Paper:** 3-5 double-spaced pages in which you reflect on a real-world negotiation that you conducted. 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:

- (a) *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 disclose this information until the negotiation is completed.
- (b) *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.
- (c) *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.
- (d) *New negotiation*: You are required to conduct this negotiation during the semester so that you can apply the knowledge that you have gained in the course.
- (e) *Boundaries*: You cannot use negotiation tactics that may be considered unethical, illegal, or potentially harmful to yourself or others.
- (f) *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 in your paper. Your grade for this paper will be based on the following criteria:

- (a) *Depth of analysis*: Have you correctly employed key concepts to analyze the negotiation? How well have you applied your learning from the course to your analysis of this case?
- (b) *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?
- (c) *Creativity*: How unique was the context? How inventive was your strategy? How did you meet expected and unexpected challenges?
- (d) *Quality of the story*: Have you included the relevant details? Is it interesting and well-written?

The paper should be no more than 5 pages in length (double spaced, 12 point Times New Roman font, 1" margins). You are also welcome to discuss how this experience relates to the most important lessons that you learned in this course, and how you hope to improve moving forward.

### **Instructor Biosketch**

Adam M. Grant is Associate Professor of Management with tenure at The Wharton School. He earned his B.A. from Harvard University, where he graduated magna cum laude with highest honors in psychology, Phi Beta Kappa honors, and the John Harvard Scholarship for highest academic achievement. He received his Ph.D. and M.S. degrees in organizational psychology from the University of Michigan. In 2012, he was the single highest-rated professor in the Wharton MBA and undergraduate programs. He has been honored with the Excellence in Teaching Award for every class that he has taught at Wharton, at both the undergraduate and MBA levels: organizational behavior, negotiations, and teamwork and leadership. He has also earned the Goes Above and Beyond the Call of Duty Teaching Award and has been recognized as one of the world's top 40 business professors under 40 by *Poets and Quants*.

Professor Grant has consulted for and taught executives at a wide range of organizations, including Google, the NFL, Merck, Citigroup, IBM, the World Economic Forum, JP Morgan, Yahoo!, Accenture, the Royal Bank of Scotland, the Royal Crown Prince Court of Abu Dhabi, and the U.S. Air Force, Army, and Navy. Prior to graduate school, he spent three years negotiating advertising contracts at Let's Go Publications, where he set multiple company records and earned the Manager of the Year Award. He has more than 50 publications in leading academic journals, and his research has been featured in *The New York Times*, *The Wall Street Journal*, *The Financial Times*, *USA Today*, *BusinessWeek*, *Oprah Magazine*, *US News & World Report*, *Forbes*, *Harvard Business Review*, and the *Freakonomics* blog, as well as bestselling books such as *Drive* by Daniel Pink, *Quiet* by Susan Cain, and *The Happiness Advantage* by Shawn Achor. He has earned distinguished scholarly achievement awards from the Academy of Management, 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 licensed conflict mediator and a former All-State and All-American springboard diver, and he performed for more than a decade as a professional magician.

## CLASS SCHEDULE

### Week 1: Negotiating Basics

September 10

*Exercise:* *Biopharm-Seltek*  
Read for class: "The negotiation checklist" (Simons & Tripp)

### Week 2: Distributive Negotiation

September 17

*Exercise:* *New Recruit*  
Read for class: "Secrets of power negotiating" (Dawson)

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

### Week 3: Integrative Negotiation

September 24

*Exercises:* *Texoil and STAR*  
Read for class: "The behavior of successful negotiators" (Rackham)

### Week 4: Conflict Resolution

October 1

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

### Week 5: Relationship-Building

October 8

*Exercise:* *Bullard Houses*  
Read for class: "Turn your adversary into your advocate" (Liljenquist & Galinsky)

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

### Week 6: Coalitions

October 15

*Exercise:* *Strategic Alliances*  
Read for class: "Negotiating with liars" (Adler)

## **Week 7: No Class**

October 22

No class – Fall break

## **Week 8: Social Dilemmas**

October 29

*Exercise:* *SHARC*

Read for class: “Harnessing the science of persuasion” (Cialdini)

## **Week 9: Inter-Organizational Negotiations I**

November 5

*Exercise:* *Moms.com*

Read for class: “The art of tough negotiation” (Adler & Rosen)

## **Week 10: Your Choice**

November 12

*Exercise:* *TBD*

Read for class: “Betting on the future” (Bazerman & Gillespie)

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

## **Week 11: No Class**

November 19

No class – Thanksgiving

## **Week 12: Inter-Organizational Negotiations II**

November 26

*Exercise:* *Harborco*

## **Week 13: Wrap-Up**

December 3

*Video Case*

**Due:** **Final Reflection Paper**