

Course Syllabus

- INSTRUCTOR:** Albert E. Mannes (Al)
- OFFICE:** 517 Jon M. Huntsman Hall (JMHH)
- EMAIL:** mannes@wharton.upenn.edu
- OFFICE HOURS:** By Appointment
- CLASS MEETINGS:** Tuesdays & Thursdays, Sept. 6 to Dec. 6
12:00–1:20 PM Section 401
1:30–2:50 PM Section 402
3:00–4:20 PM Section 403
- CLASSROOM:** SHDH 209
- CROSS LISTINGS:** LGST806, MGMT691
- REQUIREMENTS:** There are no prerequisites for the course. By policy, Wharton students have first priority for enrollment. I will consider other requests on a case-by-case basis if there is capacity. The latest day to add the course is Tuesday, September 18, and you must be present on that day.
- COURSE WEBSITE:** <https://wharton.instructure.com/courses/737858>

1. Overview

1.1 Course Description

This is an introductory course in the principles of negotiation and bargaining. You negotiate everyday: deliverables with clients and customers; compensation and expectations with superiors and subordinates; prices for personal and professional goods and services with vendors; schedules and responsibilities with friends and family.

The purpose of this course is to educate you in the art and science of negotiation and to improve your negotiating ability. Most courses en route to your MBA emphasize technical and analytical skills—economic, financial, and operational—to help you *identify* those interests that best serve your organization. We will expand on these skills to some extent. Negotiation, however, is primarily about *securing* your interests through those you depend on for success—employees, customers, suppliers, competitors, and regulators. This course will introduce you to the strategies and tactics of bargaining essential to that success.

1.2 Learning Objectives

By the end of this course, you should be able to:

- Systematically and effectively prepare for an upcoming negotiation
- Describe the difference between creating and claiming value in negotiations
- Employ tactics to both create and claim value for yourself
- Confidently negotiate with one or multiple others to secure your interests
- Understand your style, strengths, and weaknesses as a negotiator
- Analyze historical and contemporary negotiations in the world around you

1.3 Features of This Course

Wharton professors do not coordinate to provide a single, shared negotiation course. There is considerable diversity in offerings, which allows you to find the best fit. My particular course has these notable features you may not find in other sections:

- Analytical tools to help you think about negotiation in a rigorous way, including decision analysis, problem sets, and scoring systems
- Grades tied to negotiation performance to mimic incentives and tensions in “the real world”
- Evaluations of your preparation, contributions, and bargaining ethics by your peers

My particular course also *lacks* certain features you may find in other sections:

- Stories and anecdotes from my many years of bargaining (I have few)
- Discussion of dispute resolution (e.g., contract violations, mediation, team conflict)

2. Course Requirements and Grading

2.1 Summary

Your grade in the course is a function of your performance in four areas.

	Percent
Class Participation	25
Peer Evaluations	25
Problem Sets	25
Negotiation Performance	25
Total	100

2.2 Class Participation

Your class participation grade reflects attendance, contribution to class discussion, completion of peer evaluations and ad hoc surveys, and one negotiation experience from your life that you will briefly describe (1-2 paragraphs) and submit to me by email. We will discuss many of these at the start of each class.

2.3 Peer Evaluations

To provide incentives to prepare for your negotiations, bargain ethically, and contribute to team-based work, you will evaluate your peer(s) almost every week. In most cases, you will simply evaluate your negotiation partner(s) on a short list of attributes. These evaluations are administered online and are due by 12:00 PM on the Mondays following weeks with negotiations.

2.4 Problem Sets

Problem sets are short exercises (1-3 questions) designed to promote and evaluate your understanding of key analytical concepts (e.g., BATNAs, Pareto efficiency, etc.). You may collaborate with others, but you must submit your answers as individuals, not as a team. These are distributed by me via an online survey no later than 6:00 PM Friday, and your answers are due no later than 12:00 PM the following Wednesday. I expect each problem set to take less than an hour to complete. I will toss out your lowest-scoring problem set (late or missing problem sets receive a zero).

2.5 Negotiation Performance

Five of the negotiations are scored and graded. This means there is an objective way to evaluate your performance, either as a price received or as points earned. On each of these exercises, I will assign a z-score to your performance based on comparisons with all others *in your role*. If the exercise is team-based, all team members receive the same z-score. At the end of the term, I will toss out your lowest z-score and average the remaining four. You may not miss a scored negotiation, so plan your term carefully (see the attached schedule).

3. Materials

3.1 Readings

You must purchase the coursepack of required readings from Study.net. There is no required textbook.

3.2 Negotiation Cases

These are the meat-and-potatoes of the course. Individual roles are handed out in class immediately prior to the exercise or in the class preceding it. If you miss class, you must arrange with me to receive the material elsewhere—I will not track you down. Role information should *always* be treated as confidential and is *not* to be duplicated or shared with students not enrolled in the course (see 4.2).

4.0 Policies

4.1 Attendance

This course has an attendance policy that is strictly enforced for two reasons. First, you negotiate in about half the classes, and this experience is important to your development. Second, your absence affects the learning of your negotiation partner, who suddenly finds him- or herself without a partner. So please note the following:

- You may not miss a scored negotiation, the dates of which are listed in the schedule.
- You may miss one unscored negotiation exercise without penalty *only if* you send me an email at least 24 hours before the class.
- Our first negotiation is in Class 2 (Tuesday, September 11). This serves as your excused negotiation if you enroll after this date.
- There is no formal penalty for missing class on days in which you are not negotiating, but too many of these will affect your class participation grade.

4.2 Integrity

Please review Wharton's Code of Ethics prior to the course.¹ I ask this because people bring different ethics to the classroom which can (and has) led to misunderstandings about normative behavior. For this class specifically, please note the following:

- You will be assigned roles to play in your negotiations. The information for each role is confidential, which means you are not to show it to anyone—especially your negotiation counterpart—before, during, or after your negotiation. Whether you decide to share your information through discussion during the negotiation is your choice.
- Do not borrow or share the negotiation cases or analytical exercises with students who are not presently enrolled in the course.
- Prepare for your roles individually or as a team, if appropriate. Do not use materials from prior students who prepared your role.
- It is not a violation of the ethics code to lie or misrepresent during the course of your negotiations, but you are responsible for the consequences to your reputation and relationships (i.e., your peer evaluations).

¹<http://www.wharton.upenn.edu/mbaresource/ethicscode/>

4.3 Computer Use

I realize that many of you prefer to take notes on your computers or tablets these days. Unfortunately, too many people abuse the privilege by working on other projects or simply browsing the internet. (It is a classic social dilemma featuring cooperators and defectors.) As a result, I do not allow computers in class, so please turn off your laptops, tablets, and smart phones at the start. Exceptions will be granted on a class-by-class basis. You may use these devices when negotiating.

4.4 Distribution of Grades

The Dean's Office mandates a maximum CMGPA (Class MBA Grade Point Average) of 3.33 (B+). I must also designate the lowest 10% of the class (across sections) as LTs. Beyond these requirements, I have no predetermined distribution of grades in mind. The course may not be taken Pass/Fail.

Week	Class	Day	Date	Exercise	Readings
1	1	R	9/6	Introduction	Syllabus
2	2	T	9/11	Negotiation #1	
	3	R	9/13	Debrief Negotiation #1	Negotiation Analysis: An Introduction
3	4	T	9/18	Negotiation #2	
	5	R	9/20	Debrief Negotiation #2	Bargaining with the Devil
4	6	T	9/25	Negotiation #3**	
	7	R	9/27	Debrief Negotiation #3	Two Psychological Traps in Negotiation
5	8	T	10/2	Negotiation #4	
	9	R	10/4	Debrief Negotiation #4	Harnessing the Power of Persuasion Secrets of Power Negotiating
6	10	T	10/9	Negotiation #5**	
	11	R	10/11	Debrief Negotiation #5	Credible Commitments
7		T	10/16	Class does not meet*	
	12	R	10/18	Negotiation #6**	
8		T	10/23	Fall break. Class does not meet	
	13	R	10/25	Debrief Negotiation #6	Six Habits of Merely Effective Negotiators Sources of Joint Gains in Negotiations
9	14	T	10/30	Negotiation #7**	
	15	R	11/1	Debrief Negotiation #7	Tradeoffs & Concessions
10	16	T	11/6	Negotiation #8	
	17	R	11/8	Debrief Negotiation #8	Nice Girls Don't Ask
11	18	T	11/13	Negotiation #9	
	19	R	11/15	Debrief Negotiation #9	

Week	Class	Day	Date	Exercise	Readings
12		T	11/20	Class does not meet*	
		R	11/22	Thanksgiving Break	
13	20	T	11/27	Negotiation #10**	
	21	R	11/29	Debrief Negotiation #10	Negotiating in Groups and Organizations
14	22	T	12/4	Watch <i>Final Offer</i>	Background Note: GM-UAW Negotiations
	23	R	12/6	Discuss <i>Final Offer</i>	

T = Tuesday, R = Thursday. *Compensation for attending or viewing presentation by outside speaker. **Indicates a scored negotiation.