

**Negotiations and Conflict Resolution**  
MGMT 691

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This class combines analytical material on the negotiation process with class exercises involving simulated negotiations in order to develop students' negotiating skills. Some of the negotiations will require time outside of class to prepare for negotiations, and some may be conducted outside of class. Case materials for the negotiations will be distributed in class.

Texts (in the book store)

Roger Fisher and William Ury (F&U), **Getting to Yes**.

Howard Raiffa, **The Art and Science of Negotiations**.

Bulk pack from Wharton Reprographics.

Optional Reading

Richard Shell, **Bargaining for Advantage**.

## Preliminary Class Outline

1. **Introduction** (*The numbers for each topic roughly correspond to class sessions, e.g., topic #5 comes about the fifth class. Not all the readings are equally important. I will identify the important ones in class. Most are very short.*)

- 2. *Claiming value -- I***

Howard Raiffa, The Art and Science of Negotiation, Chapter 1,  
"Organizing questions...."

Roy Lewicki and Joseph Litterer, Negotiation, Chapter 4, "Strategy  
and tactics of distributive bargaining"

3. Raiffa, Chapter 3, "Elmtree House". Please read Elmtree House with special care as we will discuss it at length. What was Steve's BATNAs? What were the stages in the negotiation dance? How were concessions made? What forms of attitudinal structuring took place?

- 4. *Claiming Value -- II***

G. Kennedy, J. Benson, and J. McMillan, "Bargaining" and "Signalling"  
Thomas Schelling, The Strategy of Conflict, pp. 21-77 (Schelling's concepts marked a turning point in bargaining theory, although it is sometimes hard reading. So be prepared.)

Paul Freund, "Lying in Negotiations."

Richard Shell, "When is it Legal to Lie in Negotiations?"

- 5. *Where Relationships Matter***

"Communications: the problem-solving process". (We will practice this method in class.

Ury, Brett, and Goldberg "Three Approaches to Resolving Disputes: Interests, Rights, and Power."

Bazerman and Neale, "Fairness, Emotion, and Rationality" Chapter 13 in Negotiating Rationally.

- 6. *Tactics for Gaining Influence***

Len Leritz, "Taking the Bull Out of the Bully."

Cialdini "Harnessing the Science of Persuasion" HBR #7915

7. **Creating Value**

David A. Lax and James K. Sebenius, "Interests: The Measure of Negotiation."  
Raiffa, Chapter 5, "Settling out of court." Note the differences between the plaintiff and the defendant in terms of their subjective valuation of the utility of risk.

8. Raiffa, Chapter 12, "The Panama Canal Negotiations."  
Economist, "The importance of being nice..."

9. **Individual Differences in Creating Value**

Roderick Gilkey and Leonard Greenhalgh, "The role of personality in successful negotiating" (you will be taking the Thomas Kilman Conflict Mode Instrument, mentioned in the article)

Roger Fisher and Wayne Davis, "Six basic interpersonal skills for a negotiator's repertoire". Leonard Greenhalgh and Roderick W. Gilkey, "Our Game, Your Rules: Developing Effective Negotiating Approaches." (This is about gender-based differences in styles. Think through what you believe the differences are before you read the article.)

F&U, all but Chapters 6 and 8

James J. White and Roger Fisher, "Pros and cons of 'Getting to Yes'". Where do you stand on this debate?

10. **Biases in Negotiations**

Max Bazerman, Judgement in Decision Making, pp. 127-141.

Jeffrey Rubin, "Psychological traps"

Bertram Raven and Jeffrey Rubin, "The interdependence of persons"

11.. **Complex bargaining -- I**

Allan R. Cohen and David L. Bradford, "Influence without Authority: Alliances, Reciprocity, and Exchange to Accomplish Work."

Raiffa, Chapter 18, "The Law of the Sea."

Jeffrey Rubin and Frank Sander, "When Should We Use Agents?"

**Complex bargaining - II**

"Creating the GM-Toyota Joint Venture."

Cappelli and Sterling, "Union contract ratifications..."

## 12. Mediation and Dispute Resolution.

Deborah Kolb and Blair Sheppard, "Do Managers Mediate Or Even Arbitrate?"

James Dworkin, "Salary arbitration in baseball"

Raiffa, Chapter 14, "The Camp David Negotiations."

Term paper due.

### **Negotiations – Administrative Details:**

Class grade will be based on the following, with very rough weights as indicated.

1. Final quiz – short answers (20%) This is mainly a test based on the readings. If you have read the material and know the basic concepts, it should be straight forward. It is particularly important for people interested in getting a DS.

2. Paper (see below). (30%) -- due the penultimate class. Maximum 20 pages. Purpose: to illustrate your ability to apply and expand upon course concepts. Topics may include: An analysis of a negotiating experience which illustrates (or perhaps calls into question) the principles discussed in this course. You may choose a personal experience, one you are familiar with, an important business negotiation in the news, historical events concerning important international negotiations, etc. You may also review the academic literature on some negotiation. I will go over topics to help reduce the risk of choosing a bad one. The paper will be judged on: (1) intellectual understanding -- how well you seem to understand the concept you employ; (2) creativity -- how much you are able to extend, modify, or elaborate the concepts you use; (3) validity -- how you use your descriptions of the data to illustrate your points; (4) organization and style -- whether it is easy and interesting to read.

3. Journals – 30%. Three submissions, due Feb 8<sup>th</sup>, March 29<sup>th</sup>, and at the end of the term (April 23<sup>rd</sup>).

- Each journal should be about five pages, double spaced.
- The subject of the journal should be to debrief one of the negotiations exercises we have completed in class. If you prefer to talk about two, that is probably o.k., but the risk in discussing too many cases is that you take up all the space simply describing the facts of the case and the set-up. (If something really important happens in your life about which you would like to get feedback, it's possible to write about that as well as long as you let me know in advance.)
- A good debriefing of a negotiation goes well beyond describing what happened and attempts to explain what happened and why. And the way to

explain is to apply course concepts, materials, and readings to the description. A good illustration might be the way in which we will debrief the Elmtree House reading. In general, the more applications you can make to course concepts, the better the journal.

- Journals can also be used as a mechanism for communication between you and me. If there are concepts you don't understand or questions you want addressed, you can raise them in the journal, and I'll try to answer them. The material in the journals is confidential: Sometimes I may ask you if you would mind discussing something you raised in your journal with the class, but you are of course free to say no.

4. Class participation – 20%, which includes showing up.