

Negotiations
(OPIM 291)

University of Pennsylvania
The Wharton School
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We negotiate every day. We negotiate with co-workers, bosses, subordinates, clients, salespeople, romantic partners, and many others. This course is designed to build your understanding, skill, and confidence so that you achieve better outcomes in all your negotiations—large and small. In this course you will learn how to increase the quality of the deals you negotiate so as to maximize the potential value of any deal, and also how to claim as much of that value for yourself as you can. You will learn to see opportunities to negotiate where you had never seen them before.

This course will complement the technical and diagnostic skills you have learned in other courses at Wharton. A basic premise of the course is that, while you will need analytical skills to discover optimal solutions to problems, you will also need a broad array of negotiation skills to implement these solutions and make sure that they are truly effective. The following is a partial list of the course's objectives:

- Gain a deep understanding of the strategic structure of negotiations. It is critical to learn to think rigorously about interests, goals, positions, rights, and power. These issues are often ambiguous and do not have singularly correct answers.
- Develop confidence as a negotiator.
- Improve your ability to understand the behavior of individuals, groups, and organizations in competitive and collaborative situations.
- Provide experience in negotiation, including learning to evaluate the costs and benefits of alternative actions and how to manage the negotiating process.

Course Requirements and Grading Criteria:

- Performance on negotiation exercises: 15%
- Class participation: 10%
- Peer evaluations: 10%
- Analysis Papers: 10% (2 papers, each worth 5% of the grade)
- Multi-round team negotiation project with final analysis paper: 30%
- Final project: 25%

Negotiation outcomes: 15%

This is a class where a great deal of learning is generated by your experiences preparing for and participating in negotiations exercises. Several sessions will feature graded exercises. You will be graded based on your outcomes compared to other students negotiating in the same role as you. Thus, these outcomes are standardized based on role.

Class Participation: 10%

Your 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, strategies attempted, and reactions to the process. Quality comments possess one or more of the following properties: 1) Offer a different, 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 some evidence or logic; and 5) Link relevant concepts to current events.

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 do not give me notice or help make arrangements for your partner you will lose a third of a letter grade in the class (i.e. from A to A-, from A- to B+, etc.) If you miss a second exercise, you will lose a third of a letter grade. Regular absences during debriefing sessions will affect your participation grade.

Peer Evaluations: 10%

After each negotiation exercise, you will rate your classmates on the peer evaluation site (<http://web.wharton.upenn.edu/peereval>) along three dimensions: 1) overall preparation and commitment to the exercise; 2) skill in gaining the best outcome for own side in the current negotiation with no consideration of long-term consequences; 3) skill at maintaining or strengthening the long-term relationships outlined in the exercise.

Analysis Papers: 10%

Analysis papers will give you a chance to think and reflect on your negotiations, your actions, your opponents, and yourself. In addition, your opponents' papers allow you a rare insight into the minds of those with whom you negotiate. These papers are not intended to be recaps of your in-class negotiation, but rather the opportunity to explore an element of your preparation or experience in greater depth.

You must turn in two analysis papers over the course of the semester. **You may choose any two negotiations that happen before the beginning of the ABC team project.** Each analysis paper should be around 1000 words in length (about 2 pages of single-spaced text). E-mail copies of your paper to all the people involved in your negotiation and submit a copy to the Canvas site. Papers are due *before* class, 7 days from the date on which the negotiation was completed. For example, if you choose to write an analysis paper for the Synertech-Dosagen exercise on 1/28, the analysis paper must be received before class on 2/4 begins. Late analysis papers will not be accepted.

Multi-round team negotiation project: 30%

You will work in a self-selected team with two other classmates on a multi-round negotiation that will require both in-class and out-of-class coordination. Your group will be assigned either the role of union negotiators or company representatives, and you will be paired with another group for three rounds of negotiations. Your group will work together to develop negotiating strategies and complete the negotiations.

Before each of the three negotiations, you will receive detailed information regarding the negotiation and grading criteria. Grading for each round will be determined as follows:

- Round 1: Submit the scoring system you developed for the negotiation to Canvas by beginning of class on 3/18 (5% of grade).
- Round 2: Your group's outcome will be transformed to a Z-score (a standardized normal distribution) and then assigned the appropriate grade (5% of grade).
- Round 3: Submit the scoring system you developed for the negotiation to Canvas by beginning of class on 4/1 (5% of grade).
- Final analysis: You and your team will write a 6-8 paper that analyzes your multi-round negotiation to be submitted to Canvas by 11:59 pm on 4/15 (15% of grade).

Final project: 25% of grade

For the final project you will use your newly obtained skills to negotiate on behalf of a non-profit organization or charitable cause of your choosing. During the course of the semester you will select a "beneficiary" (e.g. a food bank, a homeless shelter, an educational program, an animal shelter, a Penn student group, or any other organization that you believe to be doing worthy and important work with limited resources) and a "sponsor" (another organization or individual that is in possession of resources that would be helpful to the "beneficiary"). Your goal is to negotiate with the sponsor to obtain the largest possible donation to help your beneficiary.

You will submit the idea for your project on 3/11 through Canvas. You will then submit an analysis paper that reports your strategy and negotiation results. The paper should be no more than 2000 words of text (about 6 pages of double-spaced text in 12-point font, with one-inch margins all around). Your paper should be submitted to Canvas by 11:59 pm, on 4/29.

You will *not* be graded on the size of the donation that you end up negotiating. Your grade will be based on your ability to apply the skills learned in this class and your understanding of negotiation principles, as reflected in your paper.

Extra Credit:

During the course of the semester we will bring outside speakers to give a guest lecture about negotiating “in the real world.” The lectures will take place outside of class time and you are strongly encouraged to attend. If you cannot attend in person the lectures will also be recorded and available online. After each guest lecture you can earn 2 points of extra credit by writing a paragraph about what you found most interesting and why. Your response is due to the course email 48 hours after the end of the guest lecture.

Course Code of Conduct

1. Be prepared and arrive punctually for all exercises (see attendance policy).
2. There will be no computers in class except during negotiation exercises.
3. Being present includes not only being physically present, but also being mentally engaged. To this end, surfing the web, emailing, instant messaging, or checking voice mail is prohibited in class. Please arrive rested; sleeping in class will not be tolerated.
4. You may not show your confidential role instructions to the other side, although you are free to tell the other side whatever you would like about your confidential information.
5. Do not make up facts or information that materially change the power distribution of the exercise. **Specifically: You may not lie about your BATNA.**
6. You may not share course materials with anyone outside of class, nor borrow course materials from anyone who has taken the class previously.
7. Class discussion stays in class.

Required Readings

Malhotra, D., & Bazerman, M. H. (2007). *Negotiation genius*. New York: Bantam. ISBN: 978-0-553-80488-1 (Hardback) or 978-0553384116 (Paperback). The course outline simply refers to this textbook as M&B.

There is also a readings packet with additional articles.

Suggested additional readings (if you want to learn more)

Brett, Jeanne M. (2001). *Negotiating globally: How to negotiate deals, resolve disputes, and make decisions across cultural boundaries*. San Francisco: Jossey-Bass.

Cialdini, Robert B. (1993). *Influence: The psychology of persuasion*. Morrow: New York.

Thompson, Leigh (2005). *The mind and heart of the negotiator* (3rd edition). Upper Saddle River, NJ: Prentice Hall. ISBN: 0-13-140738-4.

Note: All submissions to Canvas should have your full name in the file name, and be in .docx or .doc form.

Date	Topic	Reading assignment	In-class Exercise	Assignments
1/14	Introduction/Distributive Negotiation	Syllabus	Appleton/Baker	
1/21	MLK Day – No Class			
1/28	Distributive negotiation 2	M&B Ch. 1; Galinsky: First offer?	Synertech/Dosagen - Graded	
2/4	Principled negotiation	M&B Ch. 9-10; Malhotra: Smart alternatives	Bullard Houses	
2/11	Integrative negotiation 1	M&B Ch. 2; Robinson: The Farpoint Gambit	Summer Internship - Graded	
2/18	Effects of time	M&B Ch. 7; Moore: Deadline pressure	Stopwatch	
2/25	Beyond "Win-win"	M&B Ch. 3; Raiffa: PSS	Oceania!	
3/4	Spring Break – No Class			
3/11	Social dilemmas	Hofstede; Lax & Sebenius	OPEQ - Graded	Project idea
3/18	Team negotiation	Moore: Do you know how much you really care? Raiffa: Tradeoffs and concessions	ABC-Local 190 Round 1	ABC #1 plan with scoring system
3/25	Influence strategies; Ongoing team negotiation	Cialdini: Reciprocal concessions	ABC-Local 190 Round 2	Graded
4/1	Influence strategies (cont.) Ongoing team negotiation		ABC-Local 190 Round 3	ABC #3 plan with scoring system
4/8	Documentary film and ABC debrief	Kuhle, Knox, & Ross (handed out in class)		
4/15	Mediation	Lewicki et al.: Using third parties; Brockner: Why it's hard to be fair	Telepro	ABC paper due 11:59 pm
4/22	Class Finale	M&B Ch. 13-14		
4/29	Final project paper due 11: 59 pm on Canvas			