

**UNIVERSITY OF PENNSYLVANIA
THE WHARTON SCHOOL
DEPARTMENT OF LEGAL STUDIES AND BUSINESS ETHICS**

LEGAL STUDIES 206-406/OPIM 291-406/MGMT 291-406 SYLLABUS

Fall 2013

Mondays 3:00-6:00

PROFESSOR SCOTT ROSNER

NEGOTIATION AND DISPUTE RESOLUTION (Undergraduate)

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T.A.'s: TBA

Course Objectives: Our time together, both in class and electronically, will be focused on enabling you to become a more effective negotiator and conflict resolver. This effectiveness in negotiating and conflict resolution requires many things, including:

- The creativity to execute deals that others might overlook;
- Knowing when to walk away;
- The patience and insight to understand the expense of litigation and other alternatives to settle costly disputes;
- The strategic skill to get your fair share of what is negotiated;
- The insight to recognize ethical traps – and the wisdom to avoid them;
- Understanding the importance of relationships;
- The ability to work with people whose backgrounds, expectations, culture, and values differ from your own;
- The ability to resolve conflicts; and
- The capacity to reflect and learn from your experience.

This course links both the science and art of negotiation and conflict resolution, but it is more “art” than “art appreciation.” It will give you the opportunity to identify your strengths as a negotiator and to work on your relative weaknesses. More fundamentally, the course will provide both a conceptual framework to diagnose problems and promote agreement in a range of settings from your organization to your home.

Non-disclosure Agreement: You must sign and submit the attached agreement before we get underway. If you would prefer not to sign, you must drop the course.

Assigned Reading: G. Richard Shell, Bargaining for Advantage: Negotiation Strategies for Reasonable People (2d. edition, Penguin); Bulk Pack of additional readings available through Study.net.

Recommended Reading: Max H. Bazerman & Margaret A. Neale, Negotiating Rationally (Free Press 1993). Roger Fisher, William Ury & Bruce Patton, Getting to Yes (3rd edition) (Penguin 2011); Kenneth L. Shropshire, Negotiate Like the Pros (McGraw-Hill 2009).

GRADING FACTORS

Nothing is accepted late. **Late assignments receive an F.**

Much of our time in class will be spent doing actual negotiations, so attending every class is mandatory. If you cannot make this commitment, please do not take the class. Because the roles in the cases are carefully assigned, missing even a single class hurts everyone's learning, not just yours. Each class (or part thereof) missed except for verified illness, religious holiday, death in the family, or other serious situations (approved, if possible, in advance) will result in a course grade reduction of one full level (i.e., from B- to C-). Missing two unexcused classes will result in a *failing* grade. Recruiting, volunteer work, and any other job-related or student-activity-related reasons for missing class do not count as valid excuses, no matter how compelling they may be. Attendance includes attending either live or via the Wharton Video Network presentations by all guest speakers. *If you anticipate that you will have any attendance problems please do not take this course.* In addition, if you intend to drop the course for any reason, *I ask that you do so before the second class meeting or risk having your transcript show that you "Withdrew."* This is necessary to assure that we have the right number of committed students to grade the case fairly. In other words, for this class to work, you must make it one of your top priorities this semester in terms of class attendance. Please take this into account in making a final decision to enroll in this section of the course. Finally, the class may not be taken Pass/Fail.

1. **Peer Evaluations** (10%): You will rate your classmates on three dimensions using a 1-10 scale – 1 being poor and 10 being excellent: 1) overall preparation and commitment to the exercises and contributions to the course, 2) skill in one-time negotiations where the future relationship does not matter much, and 3) skill in negotiations where the future relationship matters significantly. This will be submitted **AT THE END OF THE COURSE**. There will be a peer evaluation tool. **PEER EVALUATIONS MUST BE SUBMITTED BY NOON ON FRIDAY, 12/6.** It is your responsibility to keep track of your evaluations of your fellow students. Your evaluations will be submitted at the end of the term. The final results will be distributed once calculated. There is no need to indicate the class in which you negotiated with the peer. If you negotiate with someone more than once, submit only a single overall evaluation, not 2-3. If you do not negotiate with an individual, do not submit a peer evaluation on them.

2. **Journal Entries** (30%): Six journal entries are due. Page 6 provides the format that must be followed for each journal. Please write no more than a one-page analysis. The table below provides details regarding each journal entry. These should be submitted electronically through Canvas. The Canvas site for this section is <https://wharton.instructure.com/courses/1140326>

Date Due	Journal	Negotiation Exercise	Related Readings
9/23	1	Cessna or SUV	Bulk Pack (“BP”) #1 and #9
9/30	2	*Guest Lecture	Special Instruction: Discuss a minimum of two insights from the guest lecture.
10/7	3	Opera Problem	B for A Chapters 4-5
10/14	4	House Sale	B for A Chapter 3; BP #5-6
10/28	5	Carpet Wars	BP #7-8
11/4	6	ACME Roofing or Konner Homes	Special Instruction: Explain the three schools of bargaining ethics discusses in B for A Chapter 11 and which approach you think is best.

3. **Negotiation Performance** : At the professor’s option, your course grade may be increased by one half of a grade for outstanding class participation and negotiation performance.

4. **Mid-term Exam** (30%): Class 7, October 21, 3-4:30.

5. **Analytical Paper** (30% of your grade: 6-8 pages, double-spaced). This paper should focus on some high profile negotiation of the past or present. The paper should display the facts of the negotiation, related negotiation research, as well as your analysis. **TURN IN A PARAGRAPH DESCRIBING YOUR TOPIC IN CLASS 6. THE PAPER IS DUE ON THE DAY OF THE LAST CLASS SESSION ON 12/2.** This is your chance to demonstrate your ability to analyze negotiations as a consultant, advisor, or strategist for others – something we will do throughout the course. Do not use the paper to write about a personal negotiation you face or have faced in the past. This topic is best suited for your journal. **LATE PAPERS WILL RECEIVE AN F. THERE WILL BE ABSOLUTELY NO EXCEPTIONS!**

Viable topics may be found in sports and entertainment (NHL, salary negotiations, stadium financing deals – though I do discourage you from writing on this topic due to my fairly extensive knowledge of the participants in and history of many of these negotiations), history (end of the Korean War, Cuban missile crisis), business (AOL-Time Warner, RJR Nabisco merger). The topic should be of interest to you and have enough information available where you can do an in-depth analysis of the negotiation. If you choose to do a topic that is not well documented you may be doing yourself a disservice as this will require more work on your part. However, if it is a topic that truly interests you, you can look into the history of the various parties involved in the negotiation, where you may find richer documentation or find alternative ways of getting undocumented information, such as interviews with insiders. You need more than just a few newspaper articles. You must be able to tie your analysis to topics that we discuss in class or those that you have seen in the readings; **your analysis must reflect what you have taken away from this course.**

The best papers, those at the “A” level, will include a wide range of citations; negotiations research on negotiations from beyond the course readings the materials presented in class; and, analysis beyond a couple of sittings. The worst papers, those at the “C” level, will merely summarize the details of a high profile negotiation.

All papers should include appropriate references and citations to relevant books and articles. ***Do not exceed the page limit. Again, late papers will receive an F and there will be no exceptions!***

ACADEMIC HONESTY POLICY

The Wharton School and the University of Pennsylvania are committed to academic honesty. All cases of alleged plagiarism, cheating on examinations and similar forms of academic dishonesty will be reviewed by the appropriate disciplinary bodies. Please refer to the Student Handbook for guidelines relating to academic dishonesty. **Students found to have engaged in academic dishonesty will fail the course in addition to any discipline imposed by the University.**

Honesty in all academic work is expected of every student. This means giving one’s own answers in all class work, papers, and examinations without help from sources not approved by the professor. Written material is to be the student’s own original composition. It is expected that ideas that are taken from articles, books, the internet, etc. will be properly noted in all written papers submitted. It is important to remember that to copy or to paraphrase someone else’s work, ideas, or language without proper reference is plagiarism.

CLASS TOPICS AND ASSIGNMENTS

Class 1: 9/9, Distributive Bargaining: The “Zone of Agreement.”

Read: Bulk Pack (“BP”) Item #1, 16.

Suggested: Negotiating Rationally Chapter 1, 2 & 9.

Class activity: Negotiate “Cessna” and “SUV” and “Rare Mask” (if time).

***Class 2: 9/16**, Foundations #1 and 2: Bargaining Styles and Expectations.

Read: Bargaining for Advantage (B for A), Introduction and Chapters 1-2; BP #2, 3, 4.

Be sure to complete the Negotiation Style Analysis before class and bring it with you to the class session today.

Suggested: Negotiating Rationally Chapter 3, 4 & 7

Class activities: Negotiation Style Analysis. Negotiate “New Recruit” and “Appleton v. Baker.”

Guest Speaker – Wednesday, September 18, 4:30-6 pm, JMHH G06 - Attendance is mandatory

Rodger R. Krouse, Co-Chief Executive Officer of Sun Capital Partners, Inc., will speak to all of the negotiations sections. If you are unable to attend due to a class conflict, the lecture will be made available on Spike. Details to follow.

Mr. Krouse has been engaged in leveraged buyouts, investment banking, and business operations for more than 25 years. Prior to co-founding Sun Capital Partners in 1995, Mr. Krouse was a Senior Vice President of Lehman Brothers in New York. Mr. Krouse

received a Bachelor of Science degree in Economics from The Wharton School of the University of Pennsylvania.

Class 3: 9/23, Foundations #1, #4 and #5: Bargaining Style Relationships and Interests.

Read: B for A, Chapters 4 and 5.

Suggested: Negotiating Rationally: Chapter 5

Class activity: Negotiate and discuss “Opera Problem.”

Distribute “House Sale” - **Principal and Agent must negotiate their arrangements prior to the start of the next class.**

***Class 4: 9/30**, Foundation #3: Standards & Agents. (Agents begin negotiating at 3:00 at whatever locations you have predetermined. Class begins at 4:15)

Read: B for A, Chapter 3; BP #5 and #6

Suggested: Negotiating Rationally Chapter 15

Class Activity: Negotiate and discuss “House Sale.”

Class 5: 10/7, Foundation #6: Leverage.

Read: B for A, Chapter 6; BP #7-8

Suggested: Negotiating Rationally Chapter 8

Class Activity: Negotiate and discuss “Pheasant Egg.”

Class 6: 10/14, Trust and Commitment and Conflict Resolution

(One paragraph description of your paper topic is due today)

Read: BP #9

Suggested: Negotiating Rationally Chapters 13 – 14.

Class Activity: “Carpet Wars.”

***Class 7: 10/21, Mid-term Exam (we will have class from 4:30-6 after the exam)**

Ethics

Read: B for A, Chapter 11; BP #17-19.

Class activity: “ACME Roofing.”

Class 8: 10/28, Ethics (continued)

Read: B for A, Chapter 11; BP #17-19.

Class Activity: Negotiate “Konner Homes.”

Class 9: 11/4, Read: B for A, Chapter 7, and BP #10-13.

Class Activity: Negotiate “Alpha Beta.”

Class 10: 11/11, Negotiation Analysis, Preparation, Coalitions

Read: BP #20.

Class Activity: Negotiate “Warranty Problem” and “Federated Science Fund.”

Class 11: 11/18, TBA

Class 12: 11/25, Trust and Commitment and Conflict Resolution

Read: BP #21-22; Suggested: Negotiating Rationally Chapters 13 – 14.

Class Activity: “Global Money Project.”

Class 13: 12/2, Multi-Party Negotiations

Read: BP #9.

Class activity: “Harborco.”

FINAL PAPERS DUE

*Note that there is no class session on 12/9.

JOURNAL ENTRY QUESTIONS

Your Name:

Counterpart Name(s):

Date:

Name of Negotiation Exercise:

1. RESULT OF THE NEGOTIATION AND A VERY BRIEF DESCRIPTION OF THE BEST EXPLANATION OF THIS RESULT.

2. MY MOST IMPORTANT NEGOTIATION MISTAKE

3. MY COUNTERPART'S MOST IMPORTANT NEGOTIATION MISTAKE

4. MOST IMPORTANT TAKEAWAY FROM NEGOTIATION DEBRIEFING.

5. TWO EXAMPLES OF HOW I TRIED TO APPLY THE NEGOTIATION THEORY FROM THE RELATED ASSIGNED READINGS TO THE ACTUAL NEGOTIATION

6. PERSONAL NEGOTIATION SKILL TO DEVELOP AND PROGRESS OF PREVIOUS WEEK'S DEVELOPMENTAL FOCUS.

NEGOTIATION AND DISPUTE RESOLUTION NON-DISCLOSURE AGREEMENT

Some of the role-playing negotiation exercises used in the various sections of this course and others are very similar. The sections do not necessarily encounter/debrief these exercises at the same times during the semester.

In order to make the course work and the grading fair for this and future sections of these courses, it is essential that participants:

- Keep role-specific, confidential information to themselves except as they may choose to disclose it in the actual negotiation exercises
- Make no efforts, other than in the course of negotiations, to discover the contents of the private information given to their counterparts
- Refrain from discussing the exercises and results of negotiations with other students until they are *certain* that the person with whom they are speaking has completed the exercise and discussed it in class. *Under no circumstances should students discuss the exercises with students who are not currently enrolled in negotiation.*

The professors teaching these courses consider intentional violations of these rules to constitute violations of the ethics guidelines of this institution. By signing this form, you agree to abide by the aforementioned requirements and rules.

Signed _____

Print Name _____

Date _____