

UNIVERSITY OF PENNSYLVANIA
THE WHARTON SCHOOL
Department of Legal Studies & Business Ethics

LGST206-406 / MGMT 291-406 / OPIM 291-406
Syllabus - Spring 2014
NEGOTIATION

Tuesdays 3:00 – 6:00 pm
JMHH 340

Instructor: Professor Janice R. Bellace
Office: 672 Jon M Huntsman Hall (672 JMHH / 6340)
Office Hours: 3 - 5 PM Wednesdays or call/e-mail to arrange a convenient time to meet*
Office Phone: 215-898-6820 (for appointments, call Laretta Tomasco at 215-898-1166)
E-mail: bellace@wharton.upenn.edu
TA: Rebecca Finkel refinkel@wharton.upenn.edu

* I suggest arranging a time because it is difficult to predict when I may be in my office. You are encouraged to call me during the day or to email me at any "normal" time.

Pedagogy and Class Attendance Policy

This course uses the experiential learning pedagogy; that is, *you learn by doing*. You will learn by interacting and observing others, and by listening to them as they relate how they analyzed the situation. You will complete one-page written assigned in which you will reflect on what has occurred during the course of negotiations. But this pedagogy only works if you are there. You can't learn how to negotiate if you are not present in class.

Much of our time in class will be spent doing actual negotiations, so **attending every class is mandatory**. Because the roles in the cases are carefully assigned, missing a class negatively affects everyone's learning, not just yours. Also, it is disruptive to the class session (as I have to figure out how to plug the hole presented by your absence). **If you cannot make this commitment, please do not take this class**. Each class missed will result in a course grade reduction of one level (e.g., A- to B+). The only reasons for absence that will count as an excused class are verified illness, a death in the family, or a religious holiday. Being absent for a job or graduate school interview will not be excused, nor will volunteer work or participation in student activities. If you cannot arrange your schedule so that you can attend every class, do not take my section of this course.

Goals of the Course

The aim of this course is to help you, whatever your starting point, to become a more effective negotiator. Effectiveness in negotiating encompasses 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 to consider when it is worthwhile to pursue other alternatives and to settle costly disputes;
- The skill to get your fair share of what is negotiated;
- The insight to recognize ethical traps – and the wisdom and discipline 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 capacity to reflect and learn from your experience.

The course also aims to provide you with a conceptual framework for approaching and conducting a negotiation, plus providing you with some research insights into how people behave in negotiations.

Readings

- G. Richard Shell, Bargaining for Advantage: Negotiation Strategies for Reasonable People (Penguin 2nd edition 2006)
- Roger Fisher, William Ury & Bruce Patton, Getting to Yes (Penguin 2011)
- Bulk Pack of additional readings (on Canvas)

GRADING FACTORS

Final grades will be done on a curve, based on the 100 point total that it is possible to achieve.

The grading system reflects the importance of class attendance in this course. A negotiation course cannot be successful unless individual students are committed to attending class, engaging fully with the role play, and participating actively in exercises and discussions.

Graded Negotiations (20 points). Five classes marked with a "*" have graded negotiations associated with them. You will be graded based on your outcomes as compared with others negotiating in the same role as you.

For each of the cases, one can receive a maximum of five points. Five points will be awarded to people in the top 1/3 of the class; 3 points to the middle 1/3; and 1 point to the bottom 1/3. The graded negotiations are noted in the syllabus. Grading is based on four cases; if you do all five negotiations, you will be able to drop your lowest scoring result.

Because of the nature of the negotiation exercises, there can be no "make-ups" of missed exercises.

- If you miss a graded negotiation, you will receive a 0 for that assignment.
- If you miss any negotiation, you may receive a "1" from others in the peer evaluation exercise if the rater has no other experience with you in a negotiation on which to evaluate you.

As a result, it is always better participate in a graded negotiation, even if you do the worst in the class, than to miss the negotiation.

→ If you violate a stipulated constraint of the graded negotiation (e.g., buy something for more than your bottom line or sell for less), you (and anyone else on your side) will receive a -3 for that case. [This grading policy is designed to motivate you to stay in the role assigned to you and to comply with the constraints based upon you.] To avoid receiving a -3 score, double-check all your pre-closing calculations to make sure you have complied with the instructions given you.

Two in-class quizzes (25 points). There will be two in-class quizzes worth 12 and 13 points respectively, given in Classes 7 and 14. The quizzes will be short-answer tests based on readings, lectures, class discussions, and last about 20 minutes. We will not have time to discuss all the readings in class, but this does mean they are not important as they provide significant conceptual knowledge that will contribute to your success as a negotiator. You will be expected to read them and answer detailed questions on the quizzes.

Four one-page written journal entries (20 points).

Peer Feedback Rankings (10 points): awarded based on peer ratings given at the end of term.

Each student will rate every other student on a 1(lowest) to 10 (highest) scale based on that peer's overall, demonstrated contribution to the class's learning and development. In addition, each student will identify five fellow students as persons who gained exceptional respect during the semester as negotiation partners or teammates and exhibited skill at and reputations for simultaneously managing both relationships and transactional success. Scores for this ranking will go from 10 (top) to 6 (bottom).

Then, the resulting rankings will be combined and averaged. The class will be divided into top, middle, and bottom-ranked groups consisting of roughly 10--12 students each. The top group will receive 10 points. The middle group will receive between 6 - 9 points and the lower group between 1--5 points, based on the instructor's evaluations of student performance and rankings.

I will inform the class of the five people who achieve the highest total scores for gaining respect for their negotiation skills at the end of the semester.

Final Paper (25 points): -- 8 to 10 pages, double-spaced, 12 pt font) due at the last class, submitted as a Word file on Canvas. See pages 7-8 at the end of the syllabus for an explanation of this requirement.

Class Meetings: TOPICS and ASSIGNMENTS

January 20 First day of class for this course.
Introduction and organizational matters. Lecture on overview of course, non-disclosure
Class activity: Negotiate Opening Case (handed out in class)

January 27

* **Class 2** Distributive Bargaining: the "Zone of Agreement"
Foundations #1 and 2: Bargaining Styles and Expectations.

KEY!! FILL OUT BP #4 AND BRING IT TO CLASS.

Read: Shell Introduction and Chapters 1-2 and Chapter 11, pp. 196-208
BP #1, 2, 3.

Class activity: Negotiate Case #1 "AB."

Lecture on fraud; bargaining styles, anchor effects, and information effects
→ Begin first **GRADED NEGOTIATION #1** "HS" today.

February 3

Class 3 **Convening of the class begins at 4 pm** to allow time to conclude negotiation of first graded negotiation case. (results due at or before 4 pm / *hand in* signed deals)

Foundation #3: Standards and the Role of Agents

Read: Shell Chapter 3; BP #5, #6 and #7

Class Activity: De-brief and discuss Graded Negotiation Case #1

Lecture: Agents; deadlines, electronic bargaining, standards.

February 10

***Class 4** Foundations #4 (Relationships) and #5 (Interests)

Read: Shell chapters 4, 5 and 6. BP# 8

Class Activity: Negotiate **Graded Negotiation #2** "PH" case

Discuss interests and leverage as negotiation variables; introduce Preparation Worksheet.

Hand outs: Opera Problem roles and Bargaining for Advantage

preparation worksheet

February 17

Class 5 . Foundation #6 (Leverage)

Read: Getting to Yes, pp. 3 -94. BP #9, 10, 11 and 12.

Hand in: Preparation Worksheet for the Opera Problem.

Class Activity: Negotiate Opera Problem

Lecture & discuss "Getting to Yes."

Note: written assignment will be due in class 6 – one page journal entry paper based on lessons gleaned from your Opera Problem negotiating experience

February 24

***Class 6** Trust and Commitment

Opera Problem One-Page Paper Due Today

Read: BP #13, "The Spirit of the 1914 Christmas Truce," WSJ Dec 19, 2014

Class Activity: (GRADED NEGOTIATION # 3 "CW")

Lecture: on trust and commitment as negotiation variables

March 3

Class 7 Ethics

In-class QUIZ today (on readings from classes 1 – 6)

Read: Shell Chapter 11, pp. 208-228 BP #14, 15, 16

Class activity: "ACME Roofing" negotiation case

Discussion: ethical schools of thought

Assignment: journal entry on Acme Roofing negotiation will be due in class 9.

Read "Is Every Lie 'a Sin'? Maybe Not" -- K@W Sept 17, 2014

March 10 - Spring break (no class)

March 17

Class 8 Negotiation Analysis and Preparation

Ethics journal entry (paper) due today

Read: Getting to Yes (ALL of it); Shell, Chapter 7, and (optional) BP #8

Class Activity: Negotiate "Warranty Problem."

[Note: remember that the journal entry on Acme Roofing is due in class 9.]

March 24

***Class 9** The Four Stages of Negotiation in Multi-Issue Situations

(read and cite BP #12, 15, 16 & Shell Chapter 11)

Read Shell Chapters 7 - 10. Also read BP #17.

Class Activity: (**GRADED NEGOTIATION #4 "IA"**).

Begin Graded Negotiation -- teams meet to prepare and teams conduct opening negotiating session with other side.

March 31 **Class begins at 5:00 pm to allow time for completing graded negotiation #4**

Class 10

Bargaining Teams

Hand in signed deals for Graded Negotiation #4

Class Activity: Discuss Case #4

Hand out: Roles for **Graded Negotiation #5 "HCo"**

April 7

Multi-Party Negotiations

***Class 11**

Hand in: FINAL PAPER TOPIC due *at the start of class*

Read BP #18.

Class activity: 6-party **GRADED NEGOTIATION #5**

April 14

Assisted Negotiation and Dispute Resolution

Class 12

Read BP #13, Shell Chapter 12, Hostage Negotiator's Business Tips (FT 2014-12-04)

Class activity: Negotiate and discuss "Mediation Exercises"

April 21

One-page paper on Bargaining Styles due

Class 13

Read /Review Getting to Yes. BP # 19, 20, 21

Peer Review website activated (review will be done manually on last day)

Class activity: Arbitration.

April 28 **In-class QUIZ today**
Class 14 **Final Paper due**

Prepare: All reading and lecture materials not covered in Quiz #1
In Class: Films examples of negotiation and persuasion.
Course wrap up.

Professor Bellace
LGST 206-406: Spring 2015

Final Analytical Paper (25 points: -- 8 to 10 pages, double-spaced).

Turn in your topic in Class 10 and the actual paper at the last class on April 28. Also, you must submit your paper, as a Word file, on Canvas.

The text of the paper should be a maximum of 10 pages. You can exceed this with pages that contain footnotes (endnotes) and reference pages (bibliography and charts)

Grading is based on

- thorough research with complete citations
- in-depth analysis with commentary relating it to material in the course
- excellence in writing, editing, and proofing
- thoughtful and clear organization (hint: make an outline, use headings)
- explicit connection of your topic to your individual learning agenda

* * *

Select a topic that shows your real interest in some aspect of negotiation and, as part of the paper, explain why you picked your topic and how it links to your future career or personal interests

NOTE: Do NOT write the paper about a personal negotiation you face or have faced in the past (because this assignment is a research assignment).

There are three options for the paper:

- (1) an analytical paper on a current or past complex negotiation in the news (which means that adequate, if not abundant, information is available in the library and/or online). Examples are real negotiations (e.g., mergers, international crises, historical events, labor negotiations/strikes, business deals); industry negotiation practices (e.g., best practices in commercial real estate development deals, in defense contracting, etc, or government-to-government negotiations (e.g., trade negotiations, arms reduction negotiations)
- (2) an analytical paper that focuses on a real negotiator (such as Donald Trump, Colin Powell, Benjamin Franklin, Gandhi, Nelson Mandela). Or you may select to focus on a negotiator in fiction, film or drama (e.g., Shakespeare's Henry IV). If you select this option, be certain to focus on the person's *negotiating strategy*, and to describe what was at stake in specific negotiations.

- (3) a research paper that explores a thematic topic such as deception, gender, culture, communication (e.g., non-verbal communication, lying, listening).

NOTE: any student proposing to write on a sports topic must meet with the instructor to discuss the topic before it will be approved.

Research

The final paper is a research paper assignment. Although the required paper is 10 pages maximum, this does not mean there should be little research. The internet is no substitute for conventional research methods. There are negotiation journals and books on negotiation that can be consulted. For a start, look at the bibliography to Shell's Bargaining for Advantage. The research librarians at the Lippincott Library can be immensely helpful in identifying relevant information sources.

A bibliography of sources is expected. Footnotes should be used where appropriate.

Do not rely heavily on websites as sources, although there will be instances where you should cite a website as the source of the information you have put in the text. [Most definitely do not use Wikipedia as your main source – it's a starting point.]

Plagiarism and paraphrasing without footnoting the source violates the Code of Academic Responsibility (which the instructor takes very seriously). If you have any question about whether something needs a footnote, ask the instructor or err on the side of caution and footnote!