

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

**LGST 206-409 Syllabus
Spring 2015**

NEGOTIATION

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Class times: Thursdays 3-6PM
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Leaders and professionals in business and other fields must negotiate. This course will integrate theory and practice to improve your conceptual understanding of negotiation processes and refine your practical negotiation and conflict resolution skills. It will help you become a better negotiator as well as a more intelligent negotiation analyst and strategist. We will spend a significant amount of class time engaged in negotiation simulations and exercises. We will combine this learning with readings, lectures, discussions and extensive individual and small group review sessions. I encourage you to approach this course with an open mind and a willingness to experiment!

More specifically, the objectives of the course are:

1. To enhance your awareness of negotiation theory and behavior;
2. To increase your ability to analyze negotiation processes that occur professionally and personally;
3. To build your confidence and competence through the regular practice of negotiation in classroom role-playing scenarios;
4. To help you identify a variety of negotiation styles and gain a strong understanding of the benefits, disadvantages and appropriateness of each in different settings; and
5. To provide you with tools for continued growth and development as a negotiator.

READINGS:

1. G. Richard Shell, *Bargaining for Advantage* (Penguin 2nd edition 2006);
2. Roger Fisher, William Ury & Bruce Patton, *Getting to Yes* (Penguin 3rd edition 2011);
3. Douglas Stone, Bruce Patton & Sheila Heen, *Difficult Conversations* (Penguin 2nd edition 2010);
4. Additional Readings on Canvas

A NOTE ON ATTENDANCE:

Attendance in this course is very important. Much of our time in class will be spent doing actual negotiations where you will be given a specific role to play and teamed up with one or more other students. Therefore, missing a class hurts everyone's learning, not just yours.

If you need to miss a class, please let me know as far in advance as possible. There are a lot of logistics associated with the in-class exercises and the more notice I have, the more easily I can plan to ensure that the experience of the other students is uninterrupted. If you miss more than two classes, your overall grade for the course will be reduced one level (i.e. from B- to C+).

GRADING:

There are 100 points to be gained in the class. Students with the most number of points receive the best grades. In other words, your grade will reflect your performance relative to other students in this course, not relative to "perfection" or a mythical "Wharton curve."

1. **In-class quizzes** (20 points): There will be two in-class quizzes worth 10 points each, given in Classes 6 and 13. The quizzes will contain short-answer questions based on readings, lectures, class discussions, and outside speakers and last roughly 20 minutes. While we will not have time to discuss all the readings in class, you will be expected to do them and answer detailed questions on the quizzes. In addition, this conceptual knowledge should contribute significantly to your success as a negotiator and strategist.
2. **Reflection Papers** (20 points): There are four reflection papers due during the semester, each worth 5 points. Reflection papers should be 2-3 pages, typed, double-spaced, in 12-point Times New Roman, with 1-inch margins. The purpose of these papers is to help you achieve a greater level of awareness of yourself as a negotiator, and foster a deeper understanding of the experience of negotiating. These papers should contain reflections about your experiences in class simulations, negotiation-related experiences that arise in your life outside of this class, feedback for yourself about what worked and what you might do differently next time, and what unanswered questions you still have. In addition, each paper should reference at least one of the required readings and incorporate it into your self-reflection. That said, these papers are not a "test" of whether you have done the readings nor are they a test of your research or writing skills. They are intended to be an exercise in self-awareness and an opportunity to engage in ongoing self-reflection and personal growth. I will post examples on Canvas to show you what I expect.
3. **Final Paper** (30 points) Due by noon on May 1, 2015, the paper should be a maximum of 10 pages, typed, double-spaced, 12-point Times New Roman, 1-inch margins (not including reference pages or charts). Please select a topic that shows your passion and interest in some aspect of negotiation, explain why you picked your topic and how it links to your future career or personal interests. Topics include in-depth analyses of real negotiations (mergers, international crises, historical events), industry negotiation practices (best practices in commercial real estate development deals), profiles of negotiators in fiction or drama (Shakespeare's Henry IV), profiles of real negotiators (Donald Trump, Hillary Clinton, Gandhi), topics related to bargaining styles (culture, gender, personality), communication (lying, the use of questions, listening, non-verbal communication) or anything else you want to explore about negotiation in more depth.

Grading is based on 1) thorough, imaginative, and original research, 2) originality of topic and explicit connection of your topic to your individual learning agenda, 3) excellence in writing, editing, and proofing, and 4) thoughtful, clear, and helpful organization. For example, someone interested in diplomatic negotiations will get more points for exploring a little-known but fascinating example of Central Asian diplomacy and for finding interesting, original sources on this topic such as personal interviews and primary historical works (such as debates, biographies, first-person accounts, and critical histories) than he or she will get for writing about the Cuban Missile Crisis citing common web sources and a well-known book on the topic.

4. Class Participation (30 points): A total of thirty points will be awarded for class participation and contribution. **Twenty points** will be based on my weekly observations of 1) your effort and engagement during in-class exercises; 2) the quality and sophistication of your in-class comments; and 3) completion of weekly assignments other than reflection papers. For the remaining **ten points**, I will take into account peer ratings given through a website at the end of the class. Each student will rate each other student 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 people 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. These results will then be combined and averaged. Based on my evaluation of student performance and ratings, the class will be divided into top-, middle-, and bottom-ranked groups. The top group will receive 10 points, the middle group between 5-10 points and the lower group between 1-5 points. To be clear, your peers will not be the ones determining this portion of your participation grade. Their ratings will simply help me assess 1) the extent of your preparation for in-class exercises; 2) your involvement in small group discussions; and 3) your success in building a reputation as a skilled negotiator.

GUEST SPEAKERS:

We anticipate that there will be several outside guest speakers this semester. I will announce the exact times and dates of these lectures as they are scheduled. Attendance at these events is part of the course and the contents of the talks are part of the materials on which you will be quizzed. All guest lectures will be videotaped and put online for students who have scheduling conflicts.

Please keep in mind that the syllabus might change as we progress through the semester. I will let you know of any changes in advance both in class and through Canvas.

I. INTRODUCTION

In the first two classes we will introduce the themes for the course and discuss frameworks for analyzing and approaching negotiation effectively.

Class 1 (1/15): Introduction to Negotiation

Assignments:

- **Complete Preliminary Course Goals Worksheet**

Readings:

- Fisher, *Getting to Yes*, Introduction.
- Michael S. Hopkins, “How to Negotiate Practically Anything,” *Inc.*, Feb. 1989, pp. 35-38.

Agenda:

- Lecture: Welcome and course overview
- Read, negotiate and review *Cessna* case
- Hand out and discuss syllabus and confidentiality

Class 2 (1/22): What Is a Good Outcome?

Assignments:

- Prepare to negotiate *SUV* and *Appleton* cases

Readings:

- Fisher, *Getting to Yes*, Ch. 1, pp. 3-15.
- Shell, *Bargaining for Advantage*, Ch. 2, pp. 26-39.
- George Wu, “Anchoring and First Offers in Negotiation,” *Harvard Business School*, Note 9-895-070 (June 22, 1995).
- Atul Gawande, “Personal Best,” *The New Yorker* (Oct. 3 2011), pp. 44-53.

Agenda:

- Negotiate and review *SUV* and *Appleton* cases
- Lecture: What is a Good Outcome?

II. TENSION BETWEEN CREATING AND DISTRIBUTING VALUE

Negotiators often feel caught between the competing desires of finding opportunities for joint gain (i.e. “growing the pie”) and claiming a large share of the value (i.e. “getting a slice of the pie”). In the next five classes, you will have the opportunity to experiment with different approaches as we explore this tension between value creation and distribution—which at its core deals with how and when you share information. We will also discuss ethical issues that arise related to information-sharing and trust-building.

Class 3 (1/29): Preparing to Negotiate and Create Value

Assignments:

- Prepare to negotiate *The Opera Problem*
- **Complete Seven Elements Negotiation Prep Sheet for *The Opera Problem***

Readings:

- Fisher, *Getting to Yes*, Chs. 2-5, pp. 15-94.

- Shell, *Bargaining for Advantage*, Chs. 3-5, pp. 40-88.
- Michael Moffit, “Contingent Agreements: Agreeing to Disagree about the Future,” *Marquette Law Review*, Special Issue 2004, pp. 691-696.

Agenda:

- Lecture: Creating Value
- Prepare by role for *The Opera Problem*
- Negotiate and review *The Opera Problem*

Class 4 (2/5): The Challenge of Distribution

Assignments:

- Prepare to negotiate *Kesnia* simulation
- **Reflection Paper #1 due today**

Readings:

- Fisher, *Getting to Yes*, chs. 7-8, pp. 109-145
- Shell, *Bargaining for Advantage*, Ch. 9.
- Gary Goodpaster, “A Primer on Competitive Bargaining,” Excerpt from *Journal of Dispute Resolution*, pp. 341-349, 370-377 (1996),

Agenda:

- Lecture: The Challenge of Distribution
- Prepare with partner for *Kesnia*
- Negotiate and review *Kesnia*

Class 5 (2/12): Leverage and Decision Biases

Assignments:

- Prepare to negotiate *The Commodity Case*

Readings:

- Fisher, *Getting to Yes*, ch. 6.
- Shell, *Bargaining for Advantage*, chs. 6 and 10.
- Max H. Bazerman & Katie Shonk, “The Decision Perspective to Negotiation,” *The Handbook of Dispute Resolution* (Michael L. Moffitt & Robert C. Bordone, eds., 2005), pp. 52-65.
- Bazerman, *Judgment in Managerial Decision Making* (Wiley 6th ed. 2005), ch. 8, pp. 128-140.

Agenda:

- Negotiate and review *The Commodity Case*
- Lecture: Leverage and Decision Biases

Class 6 (2/19): Trust and Communication

Assignments:

- Prepare to negotiate *Oil Pricing*

Readings:

- Catherine H. Tinsley, Jack Cambria, and Andrea Kupfer Schneider, “Reputations in Negotiation,” *Marquette University Law School Legal Studies Research Paper Series*, Research Paper 08-08, 203-214 (July 2008).
- Douglas Hofstadter, “The Prisoner’s Dilemma: Computer Tournaments and the Evolution of Cooperation,” in *Metamagical Themas: Questing For The Essence Of Mind And Pattern* (1985), pp. 715–734.

Agenda:

- Negotiate and review *Oil Pricing*

Class 7 (2/26): Negotiation Ethics

Assignments:

- Prepare to negotiate the *Acme Roofing* case
- **Prepare readings and speakers from Classes 1-6 for Quiz #1**

Readings: (not tested today)

- Shell, *Bargaining for Advantage*, ch. 11, pp. 196-228.
- Sissela Bok, “Truthfulness, Deceit, and Trust,” ch. 7 in *What’s Fair: Ethics for Negotiators*, eds. Carrie Menkel-Meadow and Michael Wheeler (Jossey-Bass), pp. 79-90.
- Alan Stufler, “On the Ethics of Deception in Negotiation,” ch. 10 in *What’s Fair: Ethics for Negotiators*, eds. Carrie Menkel-Meadow and Michael Wheeler (Jossey-Bass), pp. 138-156.
- Robert S. Adler, “Negotiating with Liars,” *MIT Sloan Management Review*, pp. 69-73 (Summer 2007).
- Deepak Malhotra and Max Bazerman, *Negotiation Genius*, pp. 196-218 (Bantam 2007).

Agenda:

- ***Quiz #1**
- Lecture: *Negotiation Ethics*
- Negotiate and review *Acme Roofing* case

III. TENSION BETWEEN EMPATHY AND ASSERTIVENESS

Negotiators often feel like they need to choose between being empathetic – understanding another’s perspective—and asserting their own views and interests. But this is a false choice! Skilled negotiators are able to do both without escalating conflict or jeopardizing their own interests. In the next two classes, we will reflect on where our individual strengths lie and build skills to help us balance both as negotiators.

Class 8 (3/5): Bargaining Styles and Active Listening

Assignments:

- Complete the Bargaining Styles Assessment located in Appendix A to *Bargaining for Advantage*
- **Reflection paper #2 due today**

Readings:

- Shell, *Bargaining for Advantage*, ch. 1 and Appendix A.

- Douglas Stone, Bruce Patton & Sheila Heen, *Difficult Conversations: How To Discuss What Matters Most* (2d ed. 2010), Chs. 9-10, pp. 163-200.
- Deborah Tannen, “The Power of Talk: Who Gets Heard and Why,” *Harvard Business Review*, September-October 1995, pp. 137-148.

Agenda:

- Discuss Bargaining Styles Assessment
- Lecture: *Active Listening*
- Active Listening Drills
- **ENJOY YOUR SPRING BREAK!!!!!!**

Class 9 (3/19): Role of Emotions

Assignments:

- Prepare to negotiate *Author Author*

Readings:

- Douglas Stone, Bruce Patton & Sheila Heen, *Difficult Conversations: How To Discuss What Matters Most* (2d ed. 2010), chs. 5-12, pp. 85-234.
- Roger Fisher & Daniel Shapiro, *Beyond Reason: Using Emotions As You Negotiate* (2005), chs. 1-2, pp. 3-21.
- Roy J. Lewicki, Alexander Hiam, and Karen Wise Olander, “When and How to Use Third-Party Help,” pp. 436-453.

Agenda:

- Lecture: Role of Emotions
- Negotiate and review *Author Author*
- Introduction to Mediation

IV. MANAGING COMPLEXITY

The final portion of the class will focus on complex negotiations with multiple parties and issues. First we will explore the related disciplines of mediation and facilitation to help build skills such as process management and consensus-building that are key to successful multi-party negotiations. Then we will engage in two complex negotiations that will synthesize all of the concepts we have been discussing throughout the semester.

Class 10 (3/26): Assisted Negotiations – Mediation

Assignments:

- Prepare to mediate and role-play *Mediation Cases #1 and #2*

Readings:

- Jennifer Beer and Carolyn Packard, *The Mediator’s Handbook* (4th ed. 2012), pp. 111-140.
- Patrick Cleary, *The Negotiation Handbook* (M.E. Sharpe 2001), Ch. 6, pp. 137-167.
- Sam Kaner, *Facilitator’s Guide to Participatory Decision-Making* (Jossey-Bass 2d ed. 2007), Chs. 1-3, pp. 3-37.

Agenda:

- Prepare with co-mediator

- Mediate/role play and review *Mediation Cases #1 and #2*
- Lecture: Facilitation Basics

Class 11 (4/2): Assisted Negotiations – Facilitation

Assignments:

- Prepare to facilitate and role-play *Facilitation Exercises*
- **Reflection Paper #3 Due Today**

Readings:

- Sam Kaner, *Facilitator's Guide to Participatory Decision-Making* (2d ed. 2007), Chs. 4, 6, pp. 41-60, 75-87.
- Roger Fisher and Alan Sharp, *Getting It Done: How to Lead When You're Not In Charge* (1998), Chs. 3 and 6, pp. 37-74 and 136-57.

Agenda:

- Prepare with co-facilitator
- Facilitate/role play and review *Facilitation Cases #1, #2, and #3*

Class 12 (4/9): Complex Negotiations – Part 1

Assignments:

- Prepare to negotiate *Icarus Airlines*
- **Final Paper Topics Due Today**

Readings:

- David A. Lax & James K. Sebenius, “3-D Negotiation: Playing the Whole Game,” *Harvard Business Review* (Nov. 2003), pp. 1-12.
- Michael Watkins, *Dynamic Negotiations: Seven Propositions about Complex Negotiations*, 9-801-267 (Harvard Business School 2000).
- Max H. Bazerman & Margaret A. Neale, *Negotiating Rationally* (1992), Ch. 14 “Negotiating in Groups and Organizations,” pp. 126-139.
- Acuff, *How to Negotiate Anything with Anyone Anywhere Around the World*, pp. 120-137 (AMACOM).

Agenda:

- Meet with teams to prepare to negotiate *Icarus Airlines*
- Conduct opening negotiation session of *Icarus Airlines*

Class 13 (4/16): Complex Negotiations Part 2

Assignments:

- Prepare to finish *Icarus Airlines* negotiation
- **Prepare readings and speakers from Classes 7-12 for Quiz #2**

Readings: None!

Agenda:

- ***Quiz #2**
- Finish negotiating and review *Icarus Airlines*
- Lecture: Multiparty Negotiation and Group Processes

Class 14 (4/23): Multi-Party Negotiations and Moving Forward

Assignments:

- Prepare to negotiate *The Port Project*
- **Reflection Paper #4 due today**

Readings:

- Larry Susskind, “Winning and Blocking Coalitions: Bring Both to a Crowded Table,” 7 *Negotiation* 1 (Jan. 2004), pp. 3-5.
- Stephen John Stedman, “Spoiler Problems in Peace Processes,” *International Security*, Vol. 22, No. 2 (Fall 1997), pp. 5-18, 52-53.
- Margo Vanover, “Get Things Done through Coalitions,” *Leadership Magazine*, December 1980.

Agenda:

- Negotiate and review *The Port Project*
- Course wrap up

Reminders:

- **Online peer reviews due by midnight on April 24, 2015.**
- **Final Papers must be uploaded to Canvas by noon on May 7, 2015.**

Thank you for a great semester!