

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

**LGST 206-409 Syllabus
Fall 2017**

NEGOTIATION & CONFLICT RESOLUTION

Class times:	Tuesday 3-6 pm
Office Hours:	Wednesday 6:15-7:45 pm, Thursday 5:00-6:30 pm and by appointment
	Location: Solomon Labs, C21
Instructor:	Nazli Bhatia, PhD
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We negotiate every day—with merchants, service providers, employers, co-workers, friends, and family—determining what price we will pay, the amount of our salary and compensation, what movies to watch, where to go to dinner, who will clean the kitchen, and so forth. Although negotiations are a ubiquitous part of our everyday lives, many of us know little about the strategy and psychology of effective negotiations. Why do we sometimes get our way, while other times we walk away feeling frustrated by our inability to achieve the agreement we desire?

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, professionally and personally;
3. To build your confidence and competence through the regular practice of negotiation;
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, et al., *Getting to Yes* (Penguin 3rd edition 2011);
3. Douglas Stone, et al., *Difficult Conversations* (Penguin 2nd edition 2010); and
4. Additional Readings on Canvas.

A NOTE ON ATTENDANCE:

Attendance in this course is very important. You will be spending considerable time in class doing actual negotiations where you will have a specific role to play 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 at least 24 hours in advance, i.e. by 3:00PM on Monday. The more notice I have, the more easily I can plan to ensure that the experience of the other students is uninterrupted. You will lose 3 participation points for missing class, but can earn those points back by completing a short make-up assignment. However, if you miss more than two classes, your overall grade for the course will be reduced one level (e.g. 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. **Preparation plans** (9 points): There are three preparation plans due throughout the semester (3 points each). Although I will grade only these three, I strongly encourage you to prepare a similar prep plan for each negotiation. Preparation is probably the single most important thing you can do to improve your performance in any negotiation. In class, it is essential that you read and prepare for every negotiation exercise. Lack of preparation destroys the value of in-class negotiations, not only for you, but also for your negotiating partners. The prep plan form that I expect you to use will be posted on Canvas.

2. **Reflection Papers** (18 points): There are three reflection papers due throughout the semester (9 points each); however, only your top two papers will count towards your final grade. Reflection papers are an analysis of an in-class simulation. They should be 2-3 pages, typed, double-spaced, 12-point Times New Roman, 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. The entries should not be a blow-by-blow account of what happened in the negotiation, but should focus more on what you were thinking, feedback for yourself about what worked well 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 your research or formal writing skills. They are intended to be an exercise in self-awareness and an opportunity to engage in ongoing reflection and personal growth. I will post a grading rubric as well as examples on Canvas to show you what I expect.

The reflection papers are due before class on Week 4, Week 9 and Week 14. You can write your first reflection paper on any in-class negotiation conducted up to Week 4. Your second reflection paper can cover any in-class negotiation from Week 4 until Week 9. Similarly, your last paper can cover any negotiation from Week 9 until Week 14.

3. **In-class quizzes** (23 points): There will be two in-class quizzes worth 13 and 10 points respectively, given in Classes 7 and 13. The quizzes will contain multiple-choice and short-

answer questions based on readings, lectures and class discussions, and last roughly 30 minutes. While we will not have time to discuss all the readings in class, you are expected to do them and answer questions on them on the quizzes. In addition, this conceptual knowledge should contribute significantly to your success as a negotiator and strategist.

4. **Final Paper: Real World Negotiation** (25 points) Sometime during the semester, you will plan and execute a negotiation outside of class for something and report your plan, what occurred during the negotiation, negotiation results, and an analysis of the process and outcome. You can negotiate for anything you like—a good or service, salary, resolve a conflict, whatever. The paper is not due until the end of the semester, so you should have plenty of time to find an interesting negotiating opportunity.

The following **rules** apply for the real-world negotiation:

- You must negotiate for something nontrivial (i.e., you should care how the negotiation turns out).
- The negotiation counterpart(s) may **not** be another student in this class or the instructor.
- The negotiation counterpart(s) must **not** be aware either before or during the negotiation that it will be used to satisfy course requirements (however, you may share your paper with them afterwards if you wish).
- You must articulate (privately, in writing) a plan. This requires creating a planning document.

You must write a **final paper** about the negotiation. **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). You are required to submit a planning document with your paper, but the planning document does not count toward the 2000 word limit.**

Writing the paper should encourage you to engage in thoughtful analysis and understanding of the negotiation. It should incorporate the use of theory and research from the readings, lecture material, and class discussions. As in your reflection papers, your final paper should describe your reactions, perceptions, impressions, and significant insights gained from participation in and contemplation on the negotiation. You should address many of the same questions that you do in a reflection paper.

Although there are many creative formats for papers, a good paper usually includes the following elements: an introduction; a statement of the goal and the planning and preparation that took place; an objective description of the actual events that occurred; an analysis of those events; a discussion of what could or should have been done differently, and why; integration of readings, theory, and concepts as appropriate; a statement of "lessons learned" for the future; a summary self-evaluation of your own negotiation style, strengths, and weaknesses. All of these guidelines are just that -- guidelines. Outstanding papers have been written in the past that do not closely conform to this format.

5. **Class Participation** (25 points): **Fifteen 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 (e.g. readings). 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 for simultaneously managing both relationships and transactional success. These results will then be combined and averaged. 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. I will notify the class of the five people who achieve the highest peer scores at the end of the semester.

THE INSTRUCTOR:

I joined Penn just this semester as a senior research fellow at the Psychology Department and a lecturer at the Wharton School. I received my PhD in Organizational Behavior and Theory at the Tepper School of Business at Carnegie Mellon University in 2014. As a graduate student, my main research and teaching interest was negotiation, as it continues to be to this day. I feel fortunate to have taught this fascinating topic to a diverse group of students, i.e. undergraduates, MBAs and executives, in the United States, Europe and Middle East.

GUEST SPEAKERS:

I anticipate that there will be a number of outside guest speakers this semester who will be presenting to some or all of the negotiations sections. I will announce the exact times and dates of these lectures as they are scheduled.

A NOTE ABOUT COPYRIGHT:

Some of the cases we will use in this class require a copyright fee per use. You will be charged separately by Wharton Publications for a handout charge for these cases. This charge will appear on their bursar bills towards the end of the semester. In addition, copyrighted material cannot be posted online. That means I will have to eliminate slides that contain copyrighted materials from the in-class materials before posting class slides online. I will do this by retaining the title of the slide so you can remember what it was about but leaving the content blank.

I. INTRODUCTION

Class	Topic	Agenda	Readings Due	Assignments Due
Class 1 Aug-29	Introduction to Negotiation	<ul style="list-style-type: none"> • Lecture: Welcome and course overview • Discuss syllabus • Read, negotiate and review <i>Negotiation 1</i> • Complete self-evaluation and course goals 	None	None
Class 2 Sep-5	Anchoring, First Offers and Outcomes	<ul style="list-style-type: none"> • Negotiate and review <i>Negotiation 2</i> • Lecture: First Offers, Anchoring, Evaluating Outcomes 	• <i>Bargaining for Advantage</i> , ch. 2, pp. 140-151, and ch. 9.	• Prepare to negotiate <i>Negotiation 2</i>

II. CREATING AND CLAIMING VALUE

Negotiators often feel caught between the competing desires of finding opportunities for joint gain, i.e. creating value and advancing their own outcomes, i.e. claiming value. In the next four 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 and elicit information. We will also discuss how these processes play out in team negotiations.

Class	Topic	Agenda	Readings Due	Assignments Due
Class 3 Sep-12	Value Creation	<ul style="list-style-type: none"> • Lecture: Value creation through information exchange • Negotiate and review <i>Negotiation 3</i> 	<ul style="list-style-type: none"> • <i>Getting to Yes</i>, chs. 1-2 • <i>Bargaining for Advantage</i>, ch. 5 and ch.8 	<ul style="list-style-type: none"> • Prepare to negotiate <i>The Negotiation 3</i> • Preparation Plan due by noon

Class	Topic	Agenda	Readings Due	Assignments Due
Class 4 Sep-19	Integrative Negotiation	<ul style="list-style-type: none"> • Lecture: Efficient Trade-Offs and MESOs • Negotiate and review <i>Negotiation 4</i> 	<ul style="list-style-type: none"> • <i>Getting to Yes</i>, chs. 3-4 • <i>Bargaining for Advantage</i>, ch. 4 	<ul style="list-style-type: none"> • Prepare to negotiate <i>Negotiation 4</i> • Reflection Paper #1 due before class
Class 5 Sep-26	Standards and Norms	<ul style="list-style-type: none"> • Lecture: The Challenge of Choosing the Right Criteria • Negotiate and review <i>Negotiation 5</i> 	<ul style="list-style-type: none"> • <i>Getting to Yes</i>, ch. 5. • <i>Bargaining for Advantage</i>, ch. 3 and ch. 10. 	<ul style="list-style-type: none"> • Prepare to negotiate <i>Negotiation 5</i>
Class 6 Oct-3	Team Negotiations	<ul style="list-style-type: none"> • Negotiate and review <i>Team Negotiation</i> • Lecture: 3 Empirical Truths about Negotiation Teams 	<ul style="list-style-type: none"> • Brett, Friedman, & Behfar “How to Manage Your Negotiating Team” 	<ul style="list-style-type: none"> • Prepare to negotiate the <i>Team Negotiation</i> case • Preparation Plan for due before class (one per team)

III. DIFFICULT NEGOTIATIONS

Negotiators often find themselves in bargaining situations beyond simple transactions, such as those involving moral dilemmas, unethical negotiators or seemingly intractable conflicts. Successful resolution of these tricky situations requires a special set of negotiation skills as well as honest self-evaluation, both of which, will be the focus of our next three classes.

Class	Topic	Agenda	Readings Due	Assignments Due
Class 7 Oct-10	Negotiation Ethics	<ul style="list-style-type: none">• Negotiate and review <i>Negotiation 7</i>• Lecture: Negotiation Ethics	<ul style="list-style-type: none">• <i>Bargaining for Advantage</i>, ch. 11.• Deepok Malhotra and Max Bazerman, <i>Negotiation Genius</i>, pp. 196-218.	<ul style="list-style-type: none">• Prepare to negotiate the <i>Negotiation 7</i>
Class 8 Oct-17	Bargaining Styles and Difficult Tactics	<ul style="list-style-type: none">• Quiz #1• Bargaining styles assessment and discussion• Difficult tactics lab	<ul style="list-style-type: none">• <i>Bargaining for Advantage</i>, ch. 1 and Appendix A.• <i>Getting to Yes</i>, chs. 7-8 (pp. 109-145). (Note: You are not responsible for today's readings for the quiz.)	<ul style="list-style-type: none">• Prepare readings and lectures from Classes 1-7 for Quiz #1
Class 9 Oct-24	Conflict Resolution	<ul style="list-style-type: none">• Negotiate and review <i>Negotiation 8</i>• Lecture: Conflicts and Disputes	<ul style="list-style-type: none">• Douglas Stone, Bruce Patton & Sheila Heen, <i>Difficult Conversations: How To Discuss What Matters Most</i> (2d ed. 2010), ch. 2 and ch.9	<ul style="list-style-type: none">• Prepare to negotiate <i>Negotiation 8</i>

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	Topic	Agenda	Readings Due	Assignments Due
Class 10 Oct-31	Mediation (Part 1)	<ul style="list-style-type: none">• Introduction to Mediation• Prepare with co-mediator• Mediate and review <i>Mediation #1</i>• Active Listening Exercises	<ul style="list-style-type: none">• Patrick Cleary, <i>The Negotiation Handbook</i>, Ch. 6.• Goldberg, “The Secrets of Successful Mediators”	<ul style="list-style-type: none">• Prepare to mediate or role-play <i>Mediation Case #1</i>• Reflection Paper #2 due before class
Class 11 Nov-7	Mediation (Part 2)	<ul style="list-style-type: none">• Prepare with co-mediator• Mediate and review <i>Mediation #2</i>• Film on Mediation	<ul style="list-style-type: none">• <i>Difficult Conversations</i>, chs. 9-10 (pp. 163-200).	<ul style="list-style-type: none">• Prepare to mediate or role-play <i>Mediation Case #2</i>

Class	Topic	Agenda	Readings Due	Assignments Due
Class 12 Nov-14	Complex Negotiations (Part 1)	<ul style="list-style-type: none"> • Lecture: Negotiating in Teams • Team exercise • Meet with teams to prepare to negotiate <i>Negotiation 11</i> • Conduct opening negotiation session of <i>Negotiation 11</i> 	<p>Note: Readings below are for the next two weeks</p> <ul style="list-style-type: none"> • David A. Lax & James K. Sebenius, “3-D Negotiation: Playing the Whole Game.” • Michael Watkins, <i>Dynamic Negotiations: Seven Propositions about Complex Negotiations</i>. • Max H. Bazerman & Margaret A. Neale, <i>Negotiating Rationally</i>, ch. 14 	<ul style="list-style-type: none"> • Prepare to negotiate <i>Negotiation 11</i> • Preparation Plan for <i>Negotiation 11</i> due before class (to be completed individually before you meet as a team)
Class 13 Nov-28	Complex Negotiations (Part 2)	<ul style="list-style-type: none"> • Quiz #2 • Finish negotiating and review <i>Negotiation 11</i> 	None, finish readings from last week.	<ul style="list-style-type: none"> • Prepare to finish <i>Negotiation 11</i> • Prepare readings and lectures from Classes 8-13 for Quiz #2
Class 14 Dec-5	Multiparty Negotiations and Moving Forward	<ul style="list-style-type: none"> • Negotiate and review <i>Negotiation 12</i> • Course wrap-up 	<ul style="list-style-type: none"> • Larry Susskind, “Winning and Blocking Coalitions: Bring Both to a Crowded Table.” • Lewicki, Barry, & Saunders, “Multiple Parties, Groups and Teams in Negotiations” 	<ul style="list-style-type: none"> • Prepare to negotiate <i>Negotiation 12</i> • Reflection Paper #3 due before class <p><u>Reminders:</u></p> <ul style="list-style-type: none"> • Online peer reviews due this week (Sunday December 10 at midnight) • Final Papers due this week (Thursday December 7 at noon)