

Negotiations

Instructor: Professor Njoke Thomas
E-mail: njoke@wharton.upenn.edu
Phone: 510-282-5807
Office: 3207 Steinberg Hall-Dietrich Hall
Office Hours: By appointment
TA: Basima Tewfik, btewfik@wharton.upenn.edu



Course Meeting Times and Locations

Tuesdays and Thursdays, 1:30pm – 3:00pm, JMHH F65

Course Description

We negotiate daily with potential employers, co-workers, bosses, landlords, merchants, service providers, partners, parents, children, friends, roommates, and many others. Our negotiation skills affect what price we will pay, the amount of our salary and compensation, what movie we watch, and who will clean up the kitchen. Why do we sometimes get our way, while at other times walk away frustrated by our inability to achieve the agreement and resolution we want?

Negotiation is the art and science of securing agreements and resolving disputes between two or more interdependent parties. The purpose of this course is to help you develop expertise in managing negotiations that occur in a variety of business settings. It is designed to be relevant to a broad spectrum of problems faced by managers. As a manager, you not only need analytical skills to discover optimal solutions to problems, but also good relational skills to get these solutions accepted and implemented. This course will help you develop both.

The learning method is experiential. You will prepare for and engage in a variety of negotiation exercises (individually, and as a team). The objective is to explore your talents, skills, shortcomings, and strengths as a negotiator in a safe setting, to learn about yourself and how you respond in specific situations. If you discover a tendency that you think needs to be changed, this is the place to try something new. The course is sequenced so that cumulative knowledge can be applied and practiced. The skill set you develop here will serve you in both your personal and professional life.

Course Objectives

- (1) Become a more *knowledgeable negotiator*. Develop a broader understanding of what negotiation is, a toolbox of effective negotiation principles, and a set of tactics derived from rigorous theory and research.
- (2) Become a more *effective negotiator*. Learn how to apply this toolbox of principles and tactics in practice to improve your negotiation skills and processes, improve outcomes for yourself and create win-win opportunities with others, and strengthen relationships through negotiations.
- (3) Become a more *reflective negotiator*. Adopt the habit of continually evaluating your negotiation strengths and challenges, and growing in your knowledge and effectiveness.

Course Philosophy

Emphasis on Learning and Development: While there are many perfectly pragmatic and admirable reasons for you to care about your grades, I want to encourage you to recognize the opportunity you have this semester to dig into the messiness of organizational life within the safety of the classroom. These opportunities do not come often in a career. My goal as your professor is to guide you through an experience that, with your engaged participation, will add value to you, your career, and your life. I strongly encourage you to adopt a similar goal for yourself and the role you will play relative to your classmates in this course. My view is that grades are just an artifact of bringing structure to the learning process but not the goal in and of themselves. I encourage you to consider your grades in the context of your goals in this course. Let grades be my headache, and let learning be yours. In other words, do not let grades get in the way of your learning. Your time is valuable and the concepts of this course are deeply important to your future so let's make this course truly worthwhile for you.

Honor Code

- (1) **Preparation:** You are expected to be prepared and on time for all negotiation exercises (see negotiation attendance policy). If a negotiation is distributed in advance of class, you must read it and prepare for the negotiation before class.
- (2) **Confidentiality:** Any information you receive for a negotiating exercise is confidential. Never assume that role materials are identical, even if a classmate is playing the same role. During a negotiation, you may verbally disclose to your counterpart any information in your confidential role instructions, if you wish, but do not physically show your confidential information to any other negotiator, even a teammate, until the assignment is completed.
- (3) **Don't Spoil the Outcome for Others:** When you have completed a simulation, please do NOT reveal your information to the other party, or with members of another team, before returning to the classroom and engaging in a class-wide discussion (which may not occur until the next class). The simulations do not always end when you sign an agreement in a break-out room. After the negotiation debrief (class discussion) you may share your confidential information, but you are not obliged to do so.
- (4) **Lying:** Do not make up facts or information that materially change the power distribution of the exercise. For example, you cannot claim that your family has just purchased the company with which you are negotiating about a job. If you are asked a question calling for information that is not contained in your confidential instructions (the answer to which would substantially influence the structure of the case), the appropriate answer is, "I don't know."
- (5) **Professionalism:** Be supportive, respectful, and constructive during classroom discussions. Class discussions and negotiation results stay in class.
- (6) **Outside Information:** Do not seek out information about a case prior to participating in it.
- (7) **External Sharing:** Do not post anything about the negotiation exercises on a public website or make your role materials available to others outside of class. Do not discuss cases or share notes with people outside of class.

Special Needs

If you need accommodation for a disability, please let me know at your earliest convenience. I am willing to make adjustments to facilitate your participation and progress. I will treat information that you provide as private and confidential.

Required Readings

- (1) *Coursepack*: Available on Study.net
- (2) *Getting to Yes: Negotiating Agreement Without Giving In*, by Roger Fisher, William Ury, and Bruce Patton. Third Edition.

Assignments & Grading

I have developed a grading system that I believe is important for your learning.

(1) Class Participation and Attendance (25%)

Negotiation Attendance Policy: To register for the course, you must attend the first two classes. Given the experiential nature of the course and pedagogy, enrollment is limited, and prepared and on-time attendance is mandatory. 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, in conjunction with any miss, you do not provide advance notice or fail to provide a substitute when required to do so, your letter grade in the class will be lowered (i.e., from A- to B+). The same will occur if you miss more than one negotiation, even if you provide advance notice.

Discussion Attendance and Participation: After each negotiation exercise, a debriefing discussion will include sharing information about results, sharing information about strategies attempted, and sharing reactions to the process. Attendance and participation during negotiation debrief discussions are critical for several reasons: in real life, you will almost never have the opportunity to hear what the other party in a negotiation was thinking, why things happened the way they did, and what you could have done differently; your classmates' learning is dependent on hearing details about what you did and how you thought about approaching things during your negotiation; no matter how well or how badly you think you did during a negotiation, you will not know until you actually engage in the class-wide discussion; in addition to hearing from the class more broadly, you will often have the opportunity to debrief with your specific partner. To ensure that attendance and participation are fairly factored into your grade, I will help keep track of attendance and participation. Participation in class discussion will be evaluated on the quality of your contributions and insights. Quality comments possess one or more of the following properties: 1) Offer a different and unique, 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 evidence, logic, and/or links to key course concepts; and 5) Link relevant concepts to current events. You should listen carefully to your fellow students and avoid making redundant or disparaging comments. Your goal should be to contribute in a meaningful way, not simply talk for the sake of talking. If you find that you have not spoken in two consecutive classes, this is an indication that you need to speak up. If you are shy or have language challenges, I encourage you to write down comments or questions when you read for class and then offer those comments or pose those questions at an appropriate time in class. Being able to contribute meaningfully to discussions will be vital to your career success across disciplines, so I urge you to use this semester as an opportunity to develop this important skill.

(2) Peer Evaluations (15%)

After each negotiation exercise, you will rate your classmates on the Canvas site along three dimensions: 1) overall preparation and commitment to the exercises, 2) skill in one-time negotiations where the future relationship does not matter much, and 3) skill in negotiations where future relationship matters significantly. Peer evaluations are due by 11:59pm on the Thursday following a negotiation exercise.

(3) Learning Reflections (20%)

Learning Reflections consist of 2 components: 1 initial goal statement and 1 negotiation analysis. See the guidelines attached to this syllabus for a detailed description of what the reflection requires and the dates of the assignments. Complete these assignments by posting them to your personal Learning Reflection Folder on Canvas.

(4) Module Exam (10%)

By the end of module one you will have been exposed to a number of foundational negotiation concepts. This exam will assess your grasp of these concepts. A close book exam will be administered in class.

(5) Final Reflection Paper – Personal Negotiation (30%)

For the final reflection paper, I would like you to carry out and analyze a real-world negotiation. For this negotiation you should negotiate something of personal value to you. You should report on your plan, your strategy, and the negotiation results. You can negotiate for anything you would like—a good or service from a merchant, a salary from a potential employer, etc. This paper should be approximately 5 double-spaced pages. At the end, please review the most important lessons that you learned in this course, your key strengths as a negotiator, and how you hope to improve moving forward.

(6) Extra Credit

You can earn up to two extra credit points in the course by engaging in timely reflection on the negotiation simulations. Every week, a journal portal will prompt you with specific questions about the key events and outcomes of the simulation. One extra credit point will be awarded for four completed journal entries. Two extra credit points will be awarded for 8 or more completed journal entries.

All written assignments (with the exception of extra credit journal entries) will be graded on a 1-5 scale, where 5=excellent, 4=good, 3=satisfactory, 2=unsatisfactory, and 1=poor. Note that 5s will be rare; they are reserved for truly top-notch assignments. Grades for assignments submitted late will be reduced by 0.5 points for each day late.

Note on LTs: If anyone's cumulative performance on the grading criteria above is distinctly at the bottom 10%, he or she will receive a LT. If that does not yield 10%, as a tiebreaker, I will go to the bottom 25% and look to see who missed the most classes (or parts of classes) for reasons other than medical/family/religious ones. This system reflects the importance of class attendance.

Learning Reflection Guidelines

The learning journal is a confidential, written record of your personal reflections about the knowledge and skills that you are gaining during the course. You will need to write a journal entry reflecting on and analyzing 1 of your negotiations during the course. This negotiation analysis will allow you to reflect on successful and failed strategies and should enable you to better prepare for and respond during subsequent negotiations. Use your journals to explore your feelings about the negotiation process and your developing sense of strengths, weaknesses, comforts, and discomforts. Note that the best journal entries spend more time exploring what you can do to improve and less time blaming others for various faults, defects, and failures. For the journal entry, you should record key tools and concepts, as well as insights gained from the class discussion. These journal entries should show a serious, explicit attempt to grapple with personal experiences in classroom exercises and accurately reference course concepts, discussions, readings, and lectures as they apply. Exemplary journals will regularly weave in personal insights, real-world examples, and negotiation concepts and tie them together in a compelling way. At the margin, the grades will depend on overall effort, including personal frankness and reflection. Authenticity and a serious attempt to learn are the objectives! Expectations regarding each assignment are detailed below:

In addition to the negotiation analysis, you will need to write an initial goal statement. The table below shows the assignment schedule.

Learning Reflection Assignments	Due Date
Initial Goal Statement	September 11
Negotiation Analysis #1: choose one from the following list <ul style="list-style-type: none"> • Biopharm-Seltek • Texoil <ul style="list-style-type: none"> • New Recruit <ul style="list-style-type: none"> • Viking 	October 18

- (1) **Initial Goal Statement:** 1-2 double-spaced pages in which you discuss your current negotiation strengths and weaknesses (prior to this course) and set concrete objectives for the semester.
- (2) **Negotiation Analyses:** 2-3 double-spaced pages in which you reflect on your behavior and your classmates' behaviors in the negotiation exercises. This should not be a detailed report of everything that happened in the negotiation; rather, it should focus on key insights. You must write up a negotiation analysis for 1 negotiation exercise and upload it to your personal Learning Journal Folder on Canvas by the due date specified. Your analysis should answer the following questions:
- (a) *Facts:* Provide a brief overview of key events. For example, how was time allocated? Who made the opening offer, and how did counter-offers proceed? How was information exchanged? Were there pivotal turning points?
 - (b) *Tools/Concepts:* What did you learn about bargaining or conflict management from this situation, and how do the concepts presented in the lectures or readings enrich your understanding of the process of this negotiation, its outcome, or your own style?
 - (c) *Insights:* What did you learn about yourself from this experience? What did you learn from the behavior of others in this experience?
 - (d) *Emotions:* How did you feel prior, during, and after the negotiations? How did you feel about your negotiation partner? How did your feelings influence your actions?
 - (e) *Mistakes:* What did you do that you wish you hadn't done? Why?
 - (f) *Goals:* What would you do the same or differently in the future? How will you need to behave in order to perform more effectively?

Final Reflection Paper:

3-5 double-spaced pages in which you reflect on a real-world negotiation that you conducted. To encourage you to think about the many everyday situations in which you can negotiate, and to challenge you to improve your negotiating skills, I am asking you to go out and negotiate in the real world. You can negotiate for anything you like – a hotel discount, a signing bonus, a piece of jewelry, or a restaurant bill. In my experience, this assignment is especially enjoyable and educational if you try to “negotiate a non-negotiable” or choose a setting where negotiation is not the norm. Here are the rules:

- *Do not reveal the assignment:* You are not allowed to resort to a plea of “Please help me out, this is for a class....” You may not disclose this information until the negotiation is complete.
- *No purchase necessary:* You do not have to buy anything to complete this assignment. You may choose to be the seller or enter a negotiation that does not involve financial terms or a purchase.
- *Interest in negotiating:* You must be willing (at some price, under some conditions) to acquire the item for which you are negotiating. Do not start a negotiation in which you would never want to come to agreement.
- *New negotiation:* You are required to conduct this negotiation during the semester so that you can apply the knowledge that you have gained in the course.
- *Boundaries:* You cannot use negotiation tactics that may be considered unethical, illegal, or potentially harmful to yourself or others.
- *Failure is an option:* You do not need to succeed in the negotiation in order to write about it. The purpose of this exercise is to facilitate your learning. Often, we learn as much or more from negotiations that fail as from those that succeed. However, if you do fail, please seek feedback from your counterpart on how you could have negotiated more effectively, and write about what you learned from the feedback. Also, if you don’t succeed, I would encourage you to try again.

Your paper should contain a description of exactly what happened and what the outcome of the negotiation was. Of course, exemplary papers will do more than simply recount the details of the negotiation. They will also discuss preparation and strategy, and will critically analyze what happened and why. You should try to include all of the relevant strategic elements of the negotiation in your paper. Your grade for this paper will be based on the following criteria:

- *Depth of analysis:* Have you correctly employed key concepts to analyze the negotiation? How well have you applied your learning from the course to your analysis of this case?
- *Introspection:* Have you linked your experiences with your goals for the course and your strengths and weaknesses? What have you learned about your negotiating style and skills from this negotiation experience? What would you do differently in the future?
- *Creativity:* How unique was the context? How inventive was your strategy? How did you meet expected and unexpected challenges?
- *Quality of the story:* Have you included the relevant details? Is it interesting and well-written?

The paper should be no more than 5 pages in length (double spaced, 12 point Times New Roman font, 1” margins). You are also welcome to discuss how this experience relates to the most important lessons that you learned in this course, and how you hope to improve moving forward.

CLASS SCHEDULE

MODULE I: NEGOTIATION CORE PRINCIPLES

Week 1: Introduction

August 28

Exercise: *Kukui Nuts*

August 30

Personal discovery: Negotiation Styles

Watch for class: TED Talk: Carol Dweck, Developing a Growth Mindset

Week 2: Negotiating Basics

September 4

Exercise: *Biopharm-Seltek*

September 6

In Class: Biopharm-Seltek debrief

Read for class: “The negotiation checklist” (Simons & Tripp)

Week 3: Creating and Claiming Value Part I

September 11

Exercises: *Texoil*

Assignment due: **Learning Reflection 1: Personal Goals Statement (due by 11:59pm)**

September 13

In Class: Texoil debrief

Read for class: Getting to Yes, Chapters 1-5 (Fisher, Ury, & Patton)

Read for class: “Secrets of power negotiating” (Dawson)

Week 4: Leverage and Influence

September 18

Exercises: *Kidney Exercise*

Read for class: “Harnessing the science of persuasion” (Cialdini)

September 20

No class

Week 5: Creating and Claiming Value Part II

September 25

Exercise: *New Recruit*

September 27

In Class: New Recruit debrief
In class: *Module 1 recap*
Read for class: “The behavior of successful negotiators” (Rackham)

Week 6:

October 2

In class: *Exam*

October 4

No class: Fall break. Enjoy!

MODULE II: COMPLEX RELATIONAL DYNAMICS IN NEGOTIATIONS

Week 7: Conflict Resolution

October 9

Exercise: Viking

October 11

In Class: Viking debrief
Read for class: Getting to Yes Chapters, Chapter 6-8 (Fisher, Ury, & Patton)
Read for class: “Negotiating with liars” (Adler)

Week 8: Relationship Building and Trust

October 16

Exercise: Bullard Houses

October 18

In Class: Bullard Houses debrief
Read for class: “Turn your adversary into your advocate” (Liljenquist & Galinsky)
Due: Learning Reflection 2: Negotiation Analysis

Week 9: Contingent bargaining agreements

October 23

Exercise: Opera Agents

October 25

In Class: Opera agents debrief

Week 10: Advocacy

October 30

Exercise: RetailSoft

November 1

In Class: RetailSoft debrief

Read for class: Using research to generate advice for women: Examples from negotiation research (Bowles & Thomason)

Week 11: Social dilemmas

November 6

Exercise: *OPEQ*

November 8

In Class: OPEQ Debrief

Read for class: Resolving the prisoner's dilemma

MODULE III: COMPLEX STRUCTURAL FACTORS IN NEGOTIATIONS

Week 12: Multiparty negotiations

November 13

Exercise: *Three-way*

November 15

In Class: Three-way debrief

Week 13: Negotiation clinic

November 20

Exercise: *Life Negotiations*

November 22

No Class: Thanksgiving break!

Week 14: Inter-organizational negotiations I

November 27

Exercise: *Moms.com*

November 29

In Class: Moms.com debrief

Read for class: "The art of tough negotiation" (Adler & Rosen)

Due: Negotiation Award Nominations (online)

Week 15: Inter-organizational negotiations II

December 4

Exercise: *Harborco*

December 6

In Class: *Harborco* debrief

In Class: *Course Highlights and Awards*

Due (12/8): **Final Reflection Paper**