

**Negotiations**  
**OIDD 691**  
The Wharton School

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COURSE DESCRIPTION

Negotiations is the art and science of creating agreements between two or more parties. This course has two purposes. First, we will develop theories to guide our negotiations. (That's the science.) Second, students will develop and sharpen their negotiating skills by negotiating with other students in cases. (That's the art.)

Since negotiations occur in all kinds of organizations, and in many functional areas within an organization, we will discuss a wide variety of examples. Most of these examples are cases students will actually negotiate. The cases are the heart of the course. Many cases will be negotiated in class. Others will be conducted outside of class. For these, you will be randomly assigned with a partner and are responsible for arranging times outside of class to negotiate.

Please read the cases in advance and think about them before actually negotiating. Preparation will generally get you a better deal (though not always, of course). Furthermore, when you are negotiating in a large group, failing to prepare can hurt the entire group. You should also keep up with the assigned readings.

I will grade a subset of the cases. I have not identified in advance which of the cases I will grade. Prepare for each case as if it is graded. I will compare performance within a role. (Your performance within a role will be compared with the performance of other students in the same role.) You will earn a score between 5 and 10 based upon your relative performance. For example, if there are 10 buyers, the buyer with the most surplus will earn a 10, the buyer with the second highest surplus will earn a 9.5. The buyer with the lowest surplus will earn a 5.

Students who miss a case for any reason will earn a score of 0.

Though you can reveal information during the course of negotiations, do not share confidential information with other students outside of your negotiation experience. I consider a violation of this rule to be a violation of the Wharton honor code. (2) Do not reveal your point structure.

There are three additional rules about the cases:

(1) The written background material you will receive for each case is meant to represent the preference and knowledge of real people. You should not show anyone else your written material because in natural settings you would not show your counterparts this information.

(2) Many of the cases involve multiple issues. The number of points a participant receives for each issue will depend on his or her role in the case. You should never reveal your point structure to the other participants in the negotiation. This rule will be made clearer when we get to the relevant cases in the course.

(3) You may not discuss the cases with students in other negotiation sections. Other sections of the Negotiations courses use the same cases, but at different times throughout the semester. For that reason it is crucial that you do not divulge any information to other students regarding cases in this course. This principle will be upheld as part of the Wharton Honor Code.

### Course Objectives

This course is designed to improve your negotiation skills. Specifically, this class should develop your ability to identify opportunities to negotiate, improve your ability to prepare for negotiations, build your confidence in negotiations, and enhance your ability to analyze and manage the negotiation process. Ultimately, this course should enable you to improve your negotiation outcomes not only by enhancing your bargaining skills, but also by facilitating your ability to recognize opportunities for joint gains and manage interdependent relationships.

### Additional Exercises

You will be asked to write a 1 page write-up of an actual negotiation (You will be required to negotiate for items outside of class.) I have assigned this exercise twice.

### Final Exam

There will be a cumulative exam that will cover material from the assigned readings, lectures, and class discussion at the end of the semester.

### Readings

Shell *Bargaining for Advantage* (Penguin, 2006)

Galinsky & Schweitzer *Friend & Foe* (Crown, 2015)

NOTE: To gain access to many of the exercises, you will need to register online for iDecisionGames (iDG) and pay a user fee (about \$25). See Canvas for further instructions.

### Class Participation

Participation in this class is very important. Arriving on time and attendance is extremely important for this class. If you miss classes, it will significantly harm your grade. If you miss multiple classes, you may not pass this class. Do *\*not\** take this class if showing up on time will be difficult for you. Do *\*not\** take this class if attendance will be difficult for you.

Laptops, Tablets, and phones are not allowed during class lectures and class discussion.

### Paper

A 5-7 page paper on a negotiation-related topic will be due at the end of the term.

### Peer Evaluation

At the end of the semester you will rate your classmates along two dimensions: (1) To what extent did this person help develop your relationship during the negotiation process? (2)

To what extent did this person help create value in class discussion? These evaluations will be used in the grading process.

### Breakdown of Grades

- (1) Instructor's class participation assessment: 20%
- (2) Peer evaluation: 15%
- (3) Paper: 15%
- (4) Final Exam: 25%
- (5) Performance on Negotiation Exercises: 15%
- (6) Write-ups: 10%

Date	Topic	Exercise	Assign's Discussed	Friend & Fo	Shell	Hand in
Aug 29	M Introduction	#1				
Aug 31	W Distributive	#2	Nondisclosure			
Sept 5	M No class: Labor Day					
Sept 7	W Distributive, Emotion	#3	Actual Negotiations	Introduction	2	
Sept 12	M Communication, Listening	#4	Paper Assignment			
Sept 14	W Comparisons, Power			1	11	
Sept 19	M Integrative (Continued)	#5				
Sept 21	W Apologies			7	3	
Sept 26	M Integrative (Continued)	#6				Act Neg I
Sept 28	W Deception					
Oct 3	M Interests, Rights, Power	#7				
Oct 5	W Rights, Power, and Crisis			2, 3	4	
Oct 10	M Trust, Cooperation	#8		8	6	
Oct 12	W Signaling					
Oct 17	M No Class: Opportunity Week					
Oct 19	W No Class: Opportunity Week					
Oct 24	M Agency	#9		5	6	
Oct 26	W Agency (Continued)					
Oct 31	M Multi-party	#10		6	5	
Nov 2	W Multi-party (Continued)					
Nov 7	M Mediation	#11		4	7	Act Neg 2
Nov 9	W Mediation (Continued)	#12				
Nov 14	M Multi-party (Continued)	#12		9	8	
Nov 16	W Multi-party (Continued)					Paper
Nov 21	M No Class					
Nov 23	W No Class					
Nov 28	M Multi-party (Continued)	#13		10	9	
Nov 30	W Multi-party (Continued)	#14	Feedback ratings			
Dec 5	M Multi-party (Continued)	#14		11	10	
Dec 7	W Multi-party (Continued)					Fback ratings



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**Paper**

The paper provides you with an opportunity (and the motivation) to explore a negotiation-related topic in some detail. Past examples of paper topics include: The anger expressions in negotiation, the role of time pressure in negotiations, Nonverbal communication, the influence of agents in negotiations, Deception in negotiations, Gender differences, Chinese-American negotiations.

The paper should reference at least 5 academic sources (listed with complete references, e.g., how articles are listed at the end of journal publication). For examples:

Smith, R., Parrott, W., Diener, E., Hoyle, R. & Kim, S. (1999). Dispositional envy. *Personality and Social Psychology Bulletin*, 25, 1007-1020.

Tesser, A. (1988). Toward a self-evaluation maintenance model of social behavior. In L. Berkowitz (Ed.), *Advances in Experimental Social Psychology* (pp. 181-227). New York: Academic Press.

The academic sources should be either books or journal articles. For example, using scholar.google or ABI Inform or PsychInfo using the library's electronic database. (Click on Electronic Resources and the Databases from the following link: <http://www.library.upenn.edu/>) You can use course material for your write-up, but your list of 5 (or more) academic sources should not include texts assigned for this course.

Good academic journals that publish negotiation related research include:

*Journal of Applied Psychology*

*Journal of Personality and Social Psychology*

*Journal of Applied Social Psychology*

*Organizational Behavior and Human Decision Processes*

*Journal of Experimental Psychology*

*Academy of Management Journal*

*International Journal of Conflict Management*

*Negotiation Journal*

*Journal of Conflict Resolution*

(The paper should include a reference section, be at least 5 pages long, 12 point font, and 1.5 spaced.)

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**Actual Negotiation Write-up**

During this course you are required to go out and actually negotiate for something. You can negotiate for anything—dry cleaning services, a taxi bill, a restaurant meal, or a couch. My preference is for you to negotiate in a setting where negotiations are uncommon (e.g., not in a flea market). You can be the buyer or the seller, and although you do not need to complete a transaction to complete the exercise, the good or service that you negotiate for should be something that you would actually buy or sell. (Note: the negotiations should take place after the course starts.)

In your write-up I will be looking for (and grading) the following:

- (1) An interesting negotiation setting. Any setting will work, but I would prefer to see you initiate a negotiation in a setting where negotiations are not the norm.
- (2) Preparation. You can write about spontaneous negotiations (e.g., after receiving bad service), but I am interested to see you document how you prepared for the negotiation.
- (3) Integration of class material. To what extent can you integrate theory and class lessons in analyzing this experience?
- (4) Identifying key lessons. What did you learn about yourself and/or others from this exercise?

Each write-up should be short: 1 page long (1.5 spaced 12 point font).

Notes: (1) I will hand out Exercises in class. (2) There is no need to prepare Exercise #1 before the first class.

Session	Date		Topic	In Class	Assignments Discussed	Friend & Foe	Shell	Hand in
#1	Jan 17, 4:45-6:45pm	F	Introduction Distributive	Exercise #1	Nondisclosure		1	
#2	Jan 18, 1-4pm	S	Distributive, Emotion, Crisis	Exercise #2 Exercise #3	Actual Negotiation Assignments Paper Assignment	Introduction	2	
#3	Jan 31, 9:30-12:30pm	F	Integrative (Continued) Comparisons, Power	Exercise #4		1	11	
#4	Feb 14, 1:30-4:30pm	S	Integrative (Continued) Apologies	Exercise #5		7	3	Actual Negotiation I
#5	Feb 28, 1:30-4:30pm	F	Interests, Rights, Power Gender	Exercise #6		2, 3	4	
#6	Mar 13, 9:30-12:30pm	S	Trust, Cooperation Signaling	Exercise #7		8	6	
#7	Mar 14, 9-12noon	S	Agency	Exercise #8		5	6	
#8	Mar 27, 4:45-6:45pm	F	Multi-party	Exercise #9		6	5	
#9	Apr 10, 4:45-6:45pm	F	Mediation	Exercise #9		4	7	Actual Negotiation II
#10	Apr 11, 9-12noon	S	Multi-party	Exercise #10		9	8	
#11	Apr 17, 4:45-6:45pm	F	Multi-party	Exercise #11	Feedback ratings (due last class)	10	9	
#12	May 1, 4:45-6:45pm	F	Integrative	Exercise #12		11	10	
#13	May 2, 9-12noon	S	Multi-party, Conclusion	Exercise #13 Quiz				Paper Feedback ratings