

UNIVERSITY OF PENNSYLVANIA THE WHARTON SCHOOL

NEGOTATIONS

Spring Semester, 2023

COURSE PERSONNEL		
Professor:	Gus Cooney, Ph.D.	
Email:	negotiate.class@gmail.com	
Office Hours:	By appointment	
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COURSE INFORMATION		
Course Code:	OIDD691	
Course Location:	JMHH F65	
Course Times:	Tuesdays & Thursdays	
Section 403	12:00pm – 1:30pm	
Section 404	1:45pm – 3:15pm	
Section 405	3:30pm – 5:00pm	

COURSE OVERVIEW

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 the prices we pay, the salary we earn, what movie we watch, and who will clean up the kitchen. Most of us, however, spend little time considering what factors make us more (or less) effective at negotiating. Instead, we negotiate on autopilot, doing what comes naturally to us or what we have learned in the past. This course provides an opportunity to closely examine the art and science of negotiation, with the explicit aim of helping you become a better negotiator.

Using available research, but also drawing on personal experience, we will examine everything from the nitty-gritty mechanics of first offers to the dynamics of coalition formation. We will explore topics such as status, power, influence, and humor. We will learn basic truths about how people negotiate, but also how this varies across gender, personality, and culture. We will see what a positive impact negotiating can have on our personal and professional lives, but also the biggest mistakes people make and how we might fix them.

Over the course of the semester, you will engage in a series of (increasingly complex) negotiation simulations, which will allow you to work with classmates to discover new insights, experiment with new tactics, hone your skills, and ultimately develop a negotiation style that works for you.



COURSE OBJECTIVES

As we examine negotiation more closely, you will find that there is no one right way to negotiate. Different approaches and styles may be more or less effective depending on the situation, your personality traits, your place in the status hierarchy, the strategy of your counterparty, the value of your alternatives, and so forth. This basic truth leads to our two main objectives for the course.

Theory: Even though there is no strategy that works across all situations, there is still tremendous value in thinking through what things generally lead to successful negotiation. Using research as a guide, we will cover questions like: What are the costs and benefits of making the first offer? How should you frame a concession? What is anchoring and sandbagging? What are the pros and cons having power in a negotiation? Does body language matter—or is that pseudo-science? When is appealing to principles of fairness a good strategy? How does one build (or ruin) a good reputation? If you are trying to get someone to do what you want, should you appeal to their emotional selves or their rational selves? What makes some people so stunningly persuasive? And how do the answers to all these questions vary across race, gender, and culture?

Practice: To learn anything well, it is critical to put theory into practice. To do so, we will rely heavily on live exercises in which you will negotiate with your classmates. I encourage you to take a moment to recognize the value of this opportunity: the ability to experiment with different negotiation strategies in a low-stakes environment is not something that you can easily do in your normal career, where you will find yourself in high-stakes environments. So, while I hope you will take pride in your performance every week, by all means, try new things, add tactics to your toolkit—fail if need be. I strongly encourage you take this opportunity to experiment with different approaches and find what works for you.

Specific Course Goals:

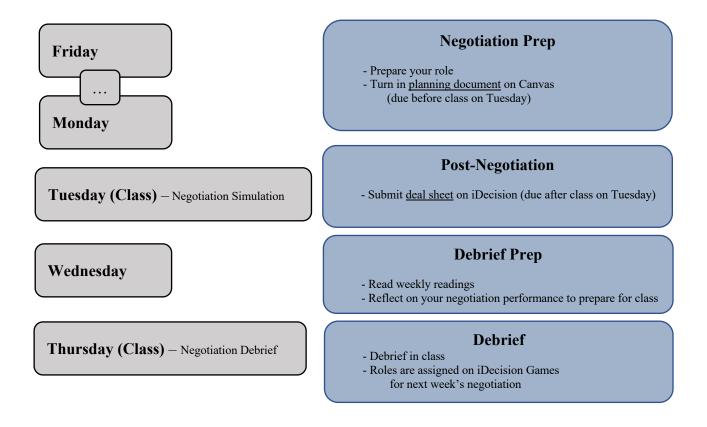
- Improve your ability to negotiate
- Improve your ability to analyze other people's behavior
- Learn how to develop a strategic negotiation plan
- Develop a toolbox of negotiation tactics
- Gain a greater understanding of your personal strengths and weaknesses
- Gain confidence as a negotiator

In short, by combining theory and practice, my goal is to help you come out of this course a more analytically savvy and personally effective negotiator.

COURSE FORMAT

Here's a schematic of what a typical week looks like (although please read the syllabus carefully for exceptions – e.g., some negotiations don't require out-of-class preparation).





COURSE READINGS & MATERIALS

Main Text: Roger Fisher, William L. Ury, & Bruce Patton. (2011). Getting to yes: Negotiating agreement without giving in. Penguin Books: New York.

Additional Readings: Readings are available on Study.net.

Canvas Course Site: Canvas is the hub for the course. The course site on Canvas includes all things course related such as announcements, lecture videos, planning documents, readings, assignments etc. *Please visit the course site regularly because it will be updated often.*

The Canvas site is structured around weekly **Modules**. In general, a weekly Module will take you from Thursday to Thursday of the course. The module contains the planning document (when applicable) or other assignment for that week, readings for the week, etc.

iDECISIONGAMES

iDecisionGames.com is an online platform we will use to access negotiation exercises and record negotiation outcomes. You will need to register online and pay a user fee (about \$25). Apologies for the extra cost, but I promise, it's worth it.

Registering for iDecisionGames.com involves five simple steps:



- **Step 1:** Use Google Chrome Browser (required for iDecisionGames)
- Step 2: Go to:
 - Section 403 <u>https://idecisiongames.com/promo-home?code=Wharton-Negotiations-1</u>
 - Section 404 <u>https://idecisiongames.com/promo-home?code=Wharton-Negotiations-2</u>
 - Section 405 <u>https://idecisiongames.com/promo-home?code=Wharton-Negotiations-3</u>

Course Times:	Tuesdays & Thursday
Section 403	12:00pm – 1:30pm
Section 404	1:45pm – 3:15pm
Section 405	3:30pm – 5:00pm

*** PLEASE NOTE YOUR SECTION ***

If this link above doesn't work, you can also register by going to <u>idecisiongames.com</u> and entering the following access code: **Wharton-Negotiations-1** (Section 403); **Wharton-Negotiations-2** (section 404); **Wharton-Negotiations-3** (section 405).

- **Step 3:** Make sure to use your <u>school email address and the name that you wish to be called in class</u>.
- Step 4: You will receive an email requesting that you confirm your email address. If you haven't received this email, check your spam folder. If you have any registration issues, contact support@idecisiongames.com
- **Step 5:** Join each weekly negotiation to receive role instructions, answer surveys, etc.

GRADING

Grades are determined according to the follow rubric:

Negotiation*	40%	
Planning Documents	30%	
Peer Rated Preparation Score	10%	
Class Participation During Debrief	20%	
Mid-Term Exam / Video	20%	
Final Paper or Project	20%	
* Read carefully the attendance requirement for the negotiation exercises		



PLANNING DOCUMENTS

As you will quickly learn, proper planning is key to success in negotiation.

"Negotiation power is not something of which you have a certain quantity that can be applied anywhere for any purpose. It requires hard work in advance to bring your resources to bear on being persuasive in a particular situation." (Fischer, Ury, & Patton, 2011)

Writing down your plan will force you to get clear on what exactly your plan really is. In my experience, it's often the case that I think my thoughts are clear until I try to write them down, only to realize how dreadfully unclear they were all along.

Not all negotiations require a planning document, but most will.

The planning document questions, and due dates associated with each negotiation, will be available on Canvas.

Your completed planning document should be uploaded to Canvas.

Grading:

Each planning document will be graded on a 0-3 scale:

- 3 = Exceptionally thorough, well-reasoned, and creative (reserved for top 10-20%)
- 2 = Thorough, well-reasoned, and creative
- 1 = Minimally thorough, well-reasoned, and creative
- 0 = Submitted late or not submitted at all

NEGOTIATION EXERCISES

Given the experiential nature of the course, attendance is absolutely mandatory. <u>You are expected to</u> be prepared, attend, and actively participate in every negotiation exercise.

The single most important thing you can do to succeed in this class is to attend and participate fully in each negotiation exercise

You may miss <u>one</u> negotiation exercise without penalty, under the following condition: You <u>let me</u> <u>know by 9pm the day before the negotiation that you are going to miss class.</u>

If I don't hear from you, I will assume you will be there. If you then fail to show up, you put the whole class at a disadvantage. We have to create new pairings/groups to accommodate your absence. This wastes people's time and degrades the learning experience.

The penalty for missing a negotiation without notifying me or missing more than one negotiation is



a full letter grade (e.g., B to C) for each negotiation missed.

Additional principles to abide by for the negotiation exercises:

1. Conscientious preparation of negotiation exercises is essential. Read the negotiation exercise before class and prepare your strategy. Under no circumstances is it acceptable to adopt the attitude, "I didn't try because it was not a real negotiation." Failing to take an exercise seriously (or pretending to have not taken it seriously after you perform poorly) is unfair to your counterpart, who is counting on you to provide a realistic experience.

2. Maintaining confidentiality of role information. For each negotiation exercise, you will receive "confidential role information." This information is for your eyes only. You are not allowed to show or discuss your confidential role information with anyone else, at any time (including classmates playing the same role as you). During the course of the negotiations themselves, you are allowed to say whatever you want, but you CANNOT show your confidential role information to the other party, or reveal your point structure, etc. A violation of this rule is considered to be a violation of the Wharton honor code.

3. Do not make up facts or information that materially change the power distribution of the exercise. For example, you should not lie about your BATNA. You can dodge and palter and omit things (if you choose to adopt these strategies), but don't lie about having an amazing alternative offer that doesn't exist.

4. Do not seek out outside information or discuss the cases with other people. Do not seek out information about a negotiation exercise prior to participating in it; for example, by asking someone who has already participated in the simulation in another class–this will ruin the experience for everyone involved. This principle will be upheld as part of the Wharton Honor Code.

5. You may use any strategy to reach an agreement. *But*, in selecting a negotiation strategy, bear in mind that certain strategies have consequences that go beyond the particular negotiation in which it was used. Reputations developed in class can have long-term consequences.

***Note:** Negotiation outcomes will NOT be graded. Grading tends to discourage experimentation. Moreover, grading tends to incentivize people to behave aggressively, and while this may work in some limited circumstances, it tends not to be a good strategy in the real world.

YOUR DATA & OUTCOMES

The outcomes of your negotiations will be recorded, and we will debrief people's performance in class as a way to learn. Once the semester is over, aggregate, statistical information may be used for future classes or research. In some cases, I may have you negotiate over video chat and record your negotiations. I may use clips of your video recordings as instructional material for future classes. If you are uncomfortable with this possibility, please contact me.



POST-NEGOTIATION

1. DEAL SHEET

After every negotiation, you and your counterpart must complete one electronic deal sheet on iDecisionGames. The results will be discussed in our debrief.

DUE DATE: The deal sheet must be completed immediately after the negotiation (or by 11:59pm the night of the negotiation at the latest).

2. POST-NEGOTIATION SURVEY

Immediately after you input the terms of your agreement on your deal sheet, you will be asked a few questions about your experience in the negotiation and your counterpart. Some post-negotiation surveys will include an extended section with further questions about your experience, designed to produce interesting material for class discussion.

Peer Rated Preparation Score: As part of this survey, your negotiation counterpart(s) will assess your level of preparation and engagement in the exercise. A central purpose of this is accountability. You will be asked to evaluate your counterpart's preparation and your counterpart will be asked to evaluate your preparation. Your counterparts will not see your individual ratings, and you will not see their individual ratings of you. Your negotiation preparation score will be determined by the average of the ratings you received from all your counterparts during the semester and counts for **10% of your final grade**.

CLASS PARTICIPATION & PROFESSIONALISM

Attendance on non-negotiation days. Attendance is required on days in which there is no negotiation exercise. When you are absent, you will miss out on learning from your classmates' experiences and your classmates will miss out on learning from your experiences.

Contribution. Participation in class discussions will be evaluated based on the quality of your contributions and insights. After each negotiation exercise, a debriefing session will include sharing information about results, strategies attempted, and reactions to the process. You are expected to be an active participant in these debriefing sessions.

I seek to get as many people involved in the discussion as possible. This may involve cold calling and generally encouraging participation. I do, however, recognize that some people have a substantial aversion to talking in groups. If this applies to you, please contact me at the start of the term.

After each debrief/class discussion/lecture day, everyone gets a numeric evaluation:

Grading: Participation is graded on a 0-3 scale 3 = Present + high quality participation (reserved for top 10-20%) 2 = Present, on time, and engaged



1 = Present but late or otherwise disengaged 0 = Absent

Professionalism and respect for the learning environment. You are expected to conduct yourselves in a professional manner. This includes a commitment to helping build an inclusive community, where everyone feels respected and can learn from the many perspectives that come from having differing backgrounds and beliefs. The diversity that we all bring to this class is a resource, strength, and benefit.

MID-TERM

Mid-term Exam. When you negotiate, you must have knowledge at your fingertips. The purpose of the mid-term exam is to make sure that you have learned some of the basic negotiation concepts and have them at the ready. The exam will cover the concepts discussed in class and in the readings, with an emphasis on in-class discussions and lecture material. The test consists of multiple choice and short-answer questions. You will have 80 minutes to complete the exam. The exam is closed notes.

Date: The date of the exam will be in class on February 28th.

Late or missed exams: All students must be in attendance on the day of the exam. There are no make-up exams.

Mid-term Reflection Video. You will submit a short (~10 mins) video reflecting on your negotiation performance thus far (strengths and weaknesses, etc.).

Date: Your video will be due 11:59PM on March 3rd

FINAL REFLECTION PAPER / PROJECT

For the Final Paper, you have three options:

OPTION 1: Analyze a real-world negotiation that *you* have participated in during the term. For this negotiation you should negotiate something of personal value to you. Your paper should report on your plan, your strategy, and the negotiation results. You can negotiate for anything you would like—a salary from a potential employer, your monthly rent, a Moroccan rug, a fancy new watch, etc. I only ask that you take it seriously, make it something relevant to your life, and have concrete learning objectives in mind.

If you want, you can also negotiate several separate things, although if you choose to do this, you need to link the different experiences together in your paper. For example, you could negotiate several smaller things with different strategies and compare and contrast the results. Or you could negotiate one consumer item and one personal issue and explore the differences. Again, the specifics of what you do are less important than doing something that is of value to you and putting in a reasonable amount of effort.

Ground Rules for the Negotiation:



- *Do not reveal the assignment:* You can't use lame pleas like, "Please just 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.
- *Good faith effort:* It must be possible and you must be willing (at some price or under some conditions) to acquire the item for which you are negotiating. Don't try to buy a Maserati for five bucks or convince you friends to go to Siberia instead of the Seychelles for winter break.
- *New negotiation:* You are required to conduct this negotiation <u>during</u> 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:* Often, we learn as much from negotiations that fail as 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.

OPTION 2: As a variant of the previous assignment, instead of writing about a *current* negotiation that has happened this semester, you can analyze a past negotiation. If you choose this option, the guidelines for the paper are the same, but please write me with your idea for approval because I don't want people choosing this option just to avoid negotiating something new. On the other hand, I recognize that there can be tremendous value in reflecting on a significant negotiation from the past, sometimes more so than scrambling to negotiate something new.

Guidelines for Writing the Final Paper:

Facts. Give a basic description of the facts of the negotiation. What interesting or surprising things happened? Give enough information for me to understand your subsequent reflection and analysis, but do not spend more than 1/3 of the paper simply reciting the facts.

Reflection and Analysis. This should be the most significant aspect of your paper. Some issues to address include:

Mistakes. What did you do that you should not have done (i.e. opened too soon; trusted too much, made a concession too quickly) and/or what did you *not* do that you should have done (i.e. asked more questions, closed with more clarity, etc.)?

Insights into your personal style/habits/instincts. What personal insights can you take away from this experience to improve for next time? Use the facts to support your analysis.

Insights into your negotiating counterparty. Analyze your counterparty's behavior in detail. Was your partner skilled? What did he or she do well? How did you size up your counterparty and adjust your strategy? Did it work?

Tools/Concepts/Models/Readings. How, if at all, did this negotiation relate to the negotiation tools, tactics, concepts, readings, research, or conceptual models we have learned about in class?

Grading: Late final papers will be penalized by a full letter grade (e.g., B to C) each 24-hour period of lateness. Any final paper not turned in within 3 days of the due date will receive zero credit.

Deliverables and Due Dates

- Due: **TBA** 11:59PM
- Length: Approximately 5-6 double-spaced pages.
- Format: **12-point** Times New Roman font. Files must be in **Word** (.doc or docx).
- How to submit: Upload the paper to Canvas

OPTION 3: * WILDCARD *

If you would prefer to do something more offbeat and creative instead of writing a paper, I am open to ideas. To inspire you, here are some great examples of projects students have done in the past: a research paper on gender differences in negotiation, a consulting-style PowerPoint deck breaking down an important facet of negotiations that we didn't cover in class, writing a new negotiation case from scratch.

Here are some examples of the more creative projects that I have seen: Animated toolkit of negotiation tactics, a comic strip, an oil painting, an indie rock anthem.

It can be anything you want, as long as you take it seriously, it represents a real commitment of time and effort, and it's something related to negotiation that you personally will get value from—that is our goal here.

If you choose this option, you need to run it by me for approval at least 2 weeks before the due date for approval.

COURSE SCHEDULE

Week	Topic & Agenda	Readings	Assignments	
I. NEGOTIATION BASICS				
 Week 1 Tuesday, Jan 17: Course Intro & Negotiation Exercise Thursday, Jan 19: Debrief & Lecture 	Course overview: Introduction to negotiation Creating value in a negotiation Exercise: Kukui Nuts	None	 Make iDecisionGames account due after class 1/17 Post-negotiation: Deal Sheet & Survey (iDecision) due immediately after negotiation 1/17 Complete Intake Survey due by 1/19 	



Week 2					
 Tuesday, Jan 24: Negotiation Exercise Thursday, Jan 26: Debrief & Lecture 	Claiming value in a negotiation Exercise: BioPharm-Seltek	Required: - The negotiation checklist (Simons & Tripp) - Six habits of merely effective negotiators (Sebenius)	 - Pre-negotiation: Planning Document (Canvas) <i>due before</i> <i>class Tuesday</i> - Post-negotiation: Deal Sheet & Survey (iDecision) <i>due</i> <i>immediately after negotiation Tuesday</i> 		
Week 3					
 Tuesday, Jan 31: Negotiation Exercise Thursday, Feb 2: Debrief & Lecture 	Multi-issue negotiations Exercise: New Recruit	Required: - Getting to Yes, Chapters 1-5 (Fisher, Ury, & Patton) <i>Optional:</i> - 15 rules for negotiating a Job Offer (Malhotra)	 Pre-negotiation: Planning Document (Canvas) <i>due before</i> <i>class Tuesday</i> Post-negotiation: Deal Sheet & Survey (iDecision) <i>due</i> <i>immediately after negotiation Tuesday</i> 		
II. BUILDING ON THE BASICS: RELATIONSHIPS					
Week 4					
• Tuesday, Feb 7: Negotiation Exercise	Liking Exercise: Starlet	<i>Required:</i> - Harnessing the science of persuasion (Cialdini)	- Pre-negotiation: Planning Document (Canvas) <i>due before</i> <i>class Tuesday</i>		
• Thursday, Feb 9: Debrief & Lecture		- Betting on the future (Bazerman & Gillespie)	- Post-negotiation: Deal Sheet & Survey (iDecision) <i>due</i> <i>immediately after negotiation Tuesday</i>		
Week 5					
• Tuesday, Feb 14: Negotiation Exercise	Disputes and Emotions	Required: - Getting to Yes, Chapters 6-8	- Pre-negotiation: Planning Document (Canvas) <i>due before</i>		
• Thursday, Feb 16 Debrief & Lecture	Exercise: Viking	 (Fisher, Ury, & Patton) <i>Optional:</i> How to use threats at the bargaining table (Galinsky & Liljenquist) How to defuse threats at the bargaining table (Liljenquist & Galinsky) 	class Tuesday - Post-negotiation: Deal Sheet & Survey (iDecision) due immediately after negotiation Tuesday		
Week 6					
• Tuesday, Feb 21: Negotiation Exercise	Trust Exercise: Bullard Houses	Required: - None	- Pre-negotiation: Planning Document (Canvas) <i>due before</i> <i>class Tuesday</i>		



• Thursday, Feb 23: Debrief & Lecture			- Post-negotiation: Deal Sheet & Survey (iDecision) <i>due</i> <i>immediately after negotiation Tuesday</i>		
	W	eek 7			
	Midterm Exam - Tuesday Feb 28th				
Mid-Term Reflection Video - Due Friday Mar 3 11:59 PM					
	~ NO CLASS Thursday Mar 2 nd ~				
	Week 8				
	~ SPRIN	G BREAK ~			
	III. GROU	IPS & TEAMS			
 Week 9 Tuesday, Mar 14: Negotiation Exercise Thursday, Mar 16: Debrief & Lecture 	Cooperation & defection Exercise: OPEQ Bonus: Threeway	Required: - Use game theory to shape strategy (Brandenburger & Nalebuff) <i>Optional:</i> - How to manage your	- No Planning Document - No Post-negotiation Survey		
		negotiating team (Brett, Friedman, & Behfa)			
 Weeks 10-11 Tuesday, Mar 21: Pre- Negotiation Meeting Thursday, Mar 23: Negotiation Exercise Tuesday, Mar 28: Debrief & Lecture 	Individual differences in negotiation Exercise: Mouse	Required: - Getting to si, ja, oui, hai and da (Meyer) <i>Optional:</i> - Negotiating Globally, Chapter 2 (Brett)	 Before Thursday: Read Role Sheet (iDecision) <i>due before class</i> <i>Thursday</i> Pre-negotiation: Planning Document (Canvas) <i>due before</i> <i>class Tuesday</i> Post-negotiation: Deal Sheet & Survey (iDecision) <i>due</i> <i>immediately after negotiation Tuesday</i> 		
 Weeks 11-12 Thursday, Mar 30: Pre-Negotiation Meeting Tuesday, Apr 4: Negotiation Exercise 	Coalitions & Influence Exercise: Fastskin	Required: - None	 Before Thursday: Read Role Sheet (iDecision) due before class Thursday Pre-negotiation: Planning Document (Canvas) due before class Tuesday 		



• Thursday, Apr 6: Debrief & Lecture			- Post-negotiation: Deal Sheet & Survey (iDecision) <i>due</i> <i>immediately after negotiation Tuesday</i>
 Weeks 13-14 Tuesday, Apr 11: Pre-Negotiation Meeting Thursday, Apr 13: Negotiation Exercise Tuesday, Apr 18: Debrief & Lecture 	Creating & claiming value in teams The Last Hurrah Exercise: Winemaster	Required: - None	 Before Thursday: Read Role Sheet (iDecision) due before class Tuesday Pre-negotiation: Planning Document (Canvas) due before class Thursday Post-negotiation: Deal Sheet & Survey (iDecision) due immediately after negotiation Thursday
FINAL PROJECT DUE: TBA 11:59 PM			