**Managerial Negotiations (B8510)**

**Bidding Syllabus - Spring 2020**

**Professor**: Shai Davidai (sd3311@columbia.edu)

**Teaching assistant**: James Carter (JCarter22@gsb.columbia.edu)

**Office hours**: By appointment (720 Uris Hall)

**Time and Location**:

* Section #5: Monday, 9:00-12:15, Uris 307
* Section #6: Monday, 2:15-5:30, Uris 331

**To be enrolled in the class, you *must* be present for the first class.**

**COURSE OVERVIEW**

Negotiations and conflicts are everywhere. From low stakes disputes about when and where to hold the next work meeting to high stakes clashes about strategic direction and boardroom contractual agreements, effective negotiators tend to fare better in the long run. Rather than shy away from disputes, effective negotiators get the most out of them both in terms of the instrumental value they carry away and in terms of the relationships and reputations they leave behind. Virtually everyone could stand to improve their negotiation skills and, fortunately, virtually everyone can develop in this area.

This course aims to help students improve their skills in two fundamental ways. One is **knowledge-oriented**: to be more effective negotiators, students learn frameworks and concepts for analyzing negotiations and conflict at a more sophisticated level. Students will acquire terms and models for identifying different types of conflicts and the potential costs and benefits of various strategies and tactics. By the end of the course, students should be able to interpret situations, plan tactics, and recognize and react to their counterpart's behavior. A second route to negotiating effectively is **practice-oriented**: to be more effective negotiators, students complement their analytical tools with behavioral skills. Negotiations and conflict ultimately come down to behaviors - how a manager opens a potentially volatile conversation, how a mediator uncovers information, how a negotiator frames an offer or a concession. Practicing these behaviors, and understanding other parties’ reactions to them, is essential to becoming a more effective negotiator. The course provides a platform for students to practice these skills hands-on, an opportunity to identify their strengths and work on their weaknesses as negotiators, and provides feedback, discussion, and occasions for reflection.

**CONNECTION TO THE CORE**

This course is related to a wide range of topics that are important for developing professionals. In Columbia Business School's core course sequence, it is perhaps most directly linked to the core leadership course, *Lead: People, Teams, Organizations*, where students will have received an overview of the topic and enacted a role-play negotiation. This course dives deeper, focusing in on different negotiation dynamics and ultimately addressing even more complex issues. Managerial Negotiations also deals with behavior in competitive contexts and markets, touching on topics dealt within the *Strategy Formulation and Managerial Economics* core courses, and with behavior related to persuasive communication and selling, touching on topics dealt with in the *Managing Marketing Programs* core course.

This course embraces the norms of the **Columbia Core Culture**. Students are expected to be:

* **Present**: Be on time and present for every session (attendance will tracked)
* **Prepared:** Complete pre-work as needed and be prepared for cold calling
* **Participating:** Constructive participation is expected and part of grade

**COURSE FORMAT**

**This is a highly interactive course.** Understanding and appreciation of negotiations are best achieved via hands-on experiences in combination with lecture, discussion, reading, and reflection on the underlying concepts of negotiation.

**There will be one or more role-play exercises in nearly every class period.** These exercises have been selected to help illustrate points in readings and lectures and to motivate further reflection and reading. These exercises will put you in new, and potentially uncomfortable, situations, but within the relatively safe environment of the classroom. In these exercises, you are urged to try out new and creative behaviors and tactics that have suggested themselves to you from your own reading and reflection.

**The course begins with basic dynamics in negotiation and adds complexity in stages.** Through role-play exercises, lecture, reading, and discussion, students will learn about negotiating multiple issues, negotiations with multiple parties, mediation, agents, and coalitions. Some exercises involve numerical analyses, others revolve around qualitative conflicts. By the end of the course, students should be able to comfortably and confidently approach most any conflict or negotiation: analyzing its nature, understanding their own objectives, and plotting an approach that will give them the best shot at achieving their goals.

**READINGS**

Readings will be drawn from several books, and articles linked from this website.

* *Getting to Yes: Negotiating Agreement Without Giving In* (by Fisher, Ury, and Patton)
* *Essentials of Negotiation* (by Lewicki, Barry, and Saunders)\*
* *Difficult Conversations* (Stone, Patton, and Heen)

I want you to become the most effective negotiator than you can be. Therefore, every class will be complemented with a few optional readings. You are not required to complete these readings, but students often mention they get much more out of the course if they read along. The goal in this course is to give you the opportunity to dig as deep as you wish in order to develop, strengthen, and hone your negotiation skills.

Note: feel free to buy previous editions of these books to save money.

*\* This is not the same as Lewicki, Saunders, and Barry's volume, Negotiation*

**ATTENDANCE POLICY**

This course is extremely experiential and is all about practicing and improving your negotiation skills using carefully curated role-play. You have to be in class to engage in the content, and if you miss class there will be no way to make it up. In addition, because most sessions involve pairs or groups of students working together, absences can also potentially undermine your classmates' experience. Thus, being absent without prior notice does not only hurt your own learning experience, but also that of your fellow classmates.

Therefore, **attendance is required for all class sessions**. As such, absences will carry a grade penalty (see Grading)**.** On the flipside, if you are in class every week and participating, you will likely do very well in the course.

The first class session sets the stage for the entire course and, therefore, attendance in the first session is mandatory.

**COURSE SCHEDULE** (subject to change)

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| **PART 1: TWO-PERSON NEGOTIATIONS** |
| 1 | 01/27 | Introduction |
| 2 | 02/03 | Distributive Bargaining |
| 3 | 02/10 | Positional Bargaining |
| 4 | 02/17 | Multi-issue Bargaining, Part 1 |
| 5 | 02/24 | Multi-issue Bargaining, Part 2 |
| **PART 2: BARGAINING CONTEXTS AND OTHER DYNAMICS** |
| 6 | 03/02 | Modes of Communication, Conflict, and Mediation |
| 7 | 03/09 | Gender, Trust, and Deception |
| **PART 3: BEYOND DYADS** |
| 8 | **TBD** | Special Joint Session with Law School, Friday 10am\* |
| 9 | 03/30 | Agents and Third Parties\*\* |
| 10 | 04/06 | Coalitions |
| 11 | 04/13 | Team Negotiation |
| 12 | 04/20 | Conclusion |
| **\***This is outside of regular class time (a Friday morning), the only time we can do the joint session. If you cannot make it, there will be a makeup assignment.\*\*This may come before the Special Joint Session, TBD |

**ROLE-PLAY GROUND RULES**

Everyone plays a part in creating the constructive learning environment that is essential to this course's effectiveness. Here are some ground rules for the role-play exercises:

1. You are expected to be prepared and on time for class meetings.
2. Unless otherwise noted, you are expected to put all electronic devices away during class.
3. You should not show your confidential role instructions to other parties during a negotiation, nor should you directly read them aloud. At your discretion, you can choose to speak about your interests to the other side.
4. Feel free to "ad lib" to provide rationales and explanations for your character's preferences (e.g., say things you think your character would say). You should adopt the given payoff tables as reflecting your preferences. You should not make up facts that materially change the power distribution of the exercise.
5. It is sometimes tempting to promise certain resources to “sweeten the deal” for your counterpart. Don’t do so, unless role information suggests that these resources exist and that you have discretion over them.
6. Once the negotiation is complete, keep your instructions private, unless instructed otherwise. We will debrief most of our cases collectively in class.
7. The exercises are an opportunity to experiment. You can learn a lot from using unusual tactics and taking yourself outside of your “comfort zone.” However, I will not tolerate anything that verges on intimidation, sexual harassment, or personal abuse.

You learn best when you experiment and try new things in a safe environment. Therefore, your negotiation outcomes will not affect your grades. Yet, I do carefully record the outcomes and, for some exercises, your answers to questions in the exercise materials. Sometimes I will show the overall patterns in this data to demonstrate points about negotiation principles. Many of the learning points in this course have been developed and refined through extensive prior classroom experiences. Just as prior students have made this course possible by sharing their experiences, you have the opportunity to contribute to the education of future students by sharing your own experiences. If you consent to allow your responses (including those from the leadership multi-rater feedback activity, negotiations exercises, and from other exercises in this course and other courses, as well as surveys by Career Services and other school offices) to be used for research purposes and for future refinement of course materials, your information will be kept strictly confidential. Any information derived from this research that would identify you would not be voluntarily released or disclosed without separate consent.

Research on students' negotiation outcomes (described in the preceding paragraph) takes place under the Columbia University IRB Protocol for "Management and negotiations research" (protocol number AAAA6074). The following individuals and/or agencies will be able to look at and copy your research records: 1) The investigator, study staff and other professionals who may be evaluating the study, 2) Authorities from Columbia University, including the Institutional Review Board ('IRB'), and 3) The United States Office of Human Research Protections ('OHRP'). The Principal Investigator for this protocol is Professor Katherine Philips (Kp2447@columbia.edu, 212-854-5621; your professor is a Co-Principal Investigator). There are no foreseeable risks to you and the proposed research does not present any additional risk beyond what you are already doing as part of the course. The benefits of the exercises are the opportunity to gain knowledge and skills in negotiating and leading effectively. Classroom debriefing aims to help you learn not only from your own experience but also from the experience of classmates. Your participation is voluntary and you may withhold your materials from research purposes at any time without an effect on your course grade. If at any time you have comments regarding the conduct of this research or questions about your rights as a research participant, you should contact the Columbia University Institutional Review Board by email at askirb@columbia.edu or by phone at 212-851-7040.

If you do not want your responses and outcomes for exercises in this course used for research purposes, please notify the instructor.

**GRADING**

A large portion of students’ grades will be determined by attendance and participation. Grades are largely based on the effort students put into active participation in preparation for and during class. This means that we minimize how much is done outside of class, but also that missing class will incur a grade penalty. Part of this participation involves preparing for negotiations in advance, reflecting on exercises, building (and uploading to Canvas) models in preparation for negotiations, and completing reflection assignments on personal development.

In addition to a few assignments, specifically designed to improve students’ negotiation skills and development, students will also have the opportunity to complete an *optional* Final Paper. In order to get an H, students will have to complete a Final Paper. However, I understand that students have busy schedules and many other priorities, and that not everyone is trying to get an H. Therefore, students who want to skip on the optional final assignment are more than welcome to do so.

Need to hand in something late? No need to ask for an extension! Just be aware that we subtract one point per every day an assignment is late. The exceptions to this rule are models that you need to develop in advance of negotiations, and the Action Planning Assignment, which must be completed on time as it is the source for an activity that week.

**INSTRUCTOR BIO**

Shai Davidai is Assistant Professor in the Management Division of Columbia Business School. Prior to joining Columbia Business School, he was an Assistant Professor of Psychology at The New School for Social Research and a post-doctoral fellow at Princeton University. His research examines people’s everyday judgments of themselves, other people, and society as a whole. He studies the psychological forces that shape, distort, and bias people’s perceptions of the world and their influence on people’s judgments, preferences, and choices. His topics of expertise include the psychology of judgment and decision making, economic inequality and social mobility, social comparisons, and zero-sum thinking. His work has been published in top-tier journals such as *Science Advances,* the Proceedings of the National Academy of Science, the Journal of Personality and Social Psychology, the Journal of Experimental Psychology, Perspectives on Psychological Sciences, and the Journal of Behavioral Decision Making. Shai received his PhD from Cornell University in 2015.