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| **Managerial Negotiations | B8510**  MBA Spring 2015 |  |  |

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| Columbia Business School  **Location:** WJW 416  **Times:** 10:45 AM to 02:00 PM | Professor Michael Slepian  7-X Uris Hall  michael.slepian@columbia.edu  Office Hours: By appointment | |
| Teaching assistant: Shi Liu (SLiu19@gsb.columbia.edu) | |  |

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## **COURSE OVERVIEW**

For most of us, our days are filled with negotiation and conflict. They range from low stakes disputes about meeting schedules to high stakes clashes about strategic direction, and from casual debates to formal boardroom contractual agreements. Effective negotiators get the most out of disputes, not just in terms of the instrumental value they carry away, but also 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*: students learn frameworks and concepts for analyzing conflict. Students acquire terms and models for identifying the type of conflict that exists in a situation and the potential costs and benefits of different strategies and tactics. Based on this, students should be able to interpret situations, plan tactics, and recognize and react to their counterpart’s behavior. A second and complementary route to improving as a negotiator is *practice-oriented*: students complement their analytical tools with behavioral skills. Negotiation 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 how other parties perceive and react to them, is essential to improving as a negotiator. The course provides continuing opportunities for hands-on practice and also provides feedback, discussion, and occasions for reflection.

Through role-play exercises, lecture, reading, and discussion, the course begins with basic dynamics in negotiation and adds complexity in stages, including multiple issues, 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.

## **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 steps 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 with in 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.

**COURSE FORMAT**

This is a highly interactive course. It is premised on a basic assumption that 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.

**ATTENDANCE**

Because this course is so experiential, attendance at class sessions is essential to getting learning value from the course. Further, because most class sessions involve pairs or groups of students working together, absences have the potential to undermine classmates’ experience. Thus, **attendance is required for all class sessions.** Absences will carry a grade penalty.

If you cannot attend a class session you are required to contact the course instructor or TA well in advance of that session. **Any absences not reported in advance of the session are subject to a severe grade penalty.**

**READINGS**

Readings will be drawn from several books and should be read as noted in the syllabus:

* Fisher, Ury, and Patton, *Getting to Yes: Negotiating Agreement Without Giving In*(Penguin, 2011; ISBN-13: 9780143118756)
* Lewicki, Barry, and Saunders, *Essentials of Negotiation – 5th Edition*  
  (McGraw-Hill, 2010; ISBN-13: 9780073530369)   
  [NOTE: this is not the same as Lewicki, Saunders, and Barry’s volume, *Negotiation*]
* Stone, Patton, and Heen, *Difficult Conversations*(Penguin, 2010; ISBN-13: 9780143118442)

A handful of additional readings will be provided on the course website.

**ASSIGNMENTS AND COURSE REQUIREMENTS**

Five components make up your grade: 1) required participation, 2) required assignments, 3) menu assignments, 4) a real world negotiation analysis, and 5) a final paper.

The second-to-last page of this syllabus provides a summary table of assignments.

**»** Required participation: 30% of grade

Participation includes several components:

* Attendance at all class sessions (see notes above on Attendance)
* Active, substantive involvement in simulations (see Role Play Ground Rules below)
* Engagement, discussion, and comments in class (quality is more important than quantity)

**»** Required assignments: 20% of grade

Throughout the course you will be required to complete a number of assignments to enhance your knowledge of course materials, reflect on exercises, and practice your skills. Details and expectations for these assignments will be described in greater detail as the course progresses. Exercises include:

* *Online assessments.* Students will complete several online surveys that will provide feedback for themselves and their classmates.
* *Pre-negotiation preparation documents.* For several class sessions, students will be asked to upload a document in advance of the session. These may include an overall strategy outline, talking points, and/or a quantitative model that outlines your valuation of deal elements.
* *Email negotiation.* Students will engage in an email negotiation with a peer outside of class. A reflection and feedback component will follow this negotiation.
* *Video analysis:* Students will review a recording of a peer negotiating in class and provide feedback.

**»** Menu assignments: 15% of grade

To give students some flexibility in managing their workloads and tailoring their learning experience to their needs, five assignments are offered as a menu. To earn the highest grade in the course (an ‘H’), students must earn full credit for **at least three** of these assignments. To pass the course, students must earn full credit for **at least one** of these assignments. These assignments will be described in greater detail as the course goes along.

* Conflict cycle analysis
* Reading reflection
* Negotiation coaching exercise
* Self video analysis
* Negotiation in the news

**»** Real world negotiation analysis: 20% of grade

This analysis can be either an individual or two-person project reviewing some kind of real world negotiation or conflict. The topic could be some kind of explicit transaction or deal, but could also be a qualitative dispute or conflict. One approach would be a *“real time”* analysis of an event that happens during the course itself, such as negotiating with an employer, bargaining with a contractor, or a personal dispute. The paper could cover planning for the conflict in advance (including assumptions or expectations), a description of the conflict itself as it unfolded, and a reflection and analysis of the conflict (e.g., Were any assumptions wrong? What were the economic and relational consequences of the conflict? How might the conflict have gone differently?). Another approach would be a thoughtful analysis of a *past conflict or deal*, including discussion of the background and context, the dynamics of the conflict or deal itself, and the consequences of the exchange. An effective analysis would also likely feature some observations about what went well/poorly and how things might have gone differently.

Creative approaches are encouraged. The overarching objective is to think carefully about a real world conflict or negotiation and apply some of the concepts and tools featured in the course. While the details of any given case are important to note and consider, another goal is to coax some larger and more enduring lessons (e.g., good practices) that may be applied elsewhere.

A paragraph or two describing your planned real world negotiation analysis is **due in Session 8**. Individual papers typically range from 5 to 8 double-spaced pages. The expectations in terms of depth and coverage are expanded with two people on the project (although a two-person paper is not necessarily expected to be twice the length of an individual paper). The choice to work independently or in pairs is up to students. The paper is **due in Session 11**. We may discuss some of these analyses (if students volunteer to do so) in our final class session.

**»** Final paper: 15% *(optional)*

The form this paper takes is flexible, but several models have proven to be meaningful and substantive for students. One is a self-assessment paper in which you analyze yourself, including your style and its strengths and weaknesses, based on your experience in the course, the feedback you received, as well as other experiences. This analysis could culminate in an action plan for developing as a negotiator. Another effective model is to construct a coherent personal “theory of negotiation” that reflects what you believe are the fundamental dynamics and best practices of negotiation as they relate to you. This should not be a simple recapitulation of recommendations offered in the class or readings but rather some personalized version of your own negotiation manual that reflects a meaningful amount of reflection, synthesis, and application. Final papers are typically 5-8 double-spaced pages long (length could vary for a negotiation exercise) and are **due in Session 12**.

Note that this paper is NOT mandatory. If you would like an “H” in the class, doing the assignment is necessary (but not sufficient to guarantee an “H”).

**ROLE PLAY GROUND RULES**

Having a constructive learning environment is essential to this course’s effectiveness. Everyone plays a part in this. Here are some ground rules for our role-play exercises:

1. You are expected to be on time for class meetings and, when applicable, to arrive prepared for in-class negotiation exercises.

2. 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. Once the negotiation is complete, you should still keep your instructions private, unless instructed otherwise. We will debrief most of our cases collectively in class.

3. Feel free to “ad lib” in these exercises to provide rationales and explanations for your character’s preferences—say things you think the character would say. That said, 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.

4. The exercises are an opportunity to experiment. Unusual tactics (or at least ones that are different for you) add variety and can benefit the group discussion. However, steer clear of anything that verges on physical intimidation, sexual harassment, or personal abuse.

**EXERCISES, RECORDS, AND RESEARCH**

Because I want to encourage experimentation, I do not grade based on your negotiation outcomes. 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. The data are also used in a continual process of refining exercises and developing new ones. Just as prior students have contributed to your learning experience by contributing this data, you will be contributing to future classes by answering questions about your outcome and tactics in the course of the exercises. Identifying information is removed from the datasets after the term ends, so the records become anonymous at this point. At times in the past, faculty have drawn on these “anonymized” datasets reflecting years of classes for statistical analyses related to research hypotheses concerning negotiation dynamics. If you prefer that any records from your participation in class be deleted from datasets if they are used for any research purpose, please tell the instructor or teaching assistant and your record will be deleted after the class is complete.

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| **PART 1: TWO-PERSON NEGOTIATIONS** |

# **SESSION 1** (January 28th)**: Introduction**

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| *Readings  (read by next session)* | *Essentials of Negotiation* Ch 1 “The nature of negotiation”  *Getting to Yes* Ch 6 |
| *Assignments given* | Real-world negotiation paper (due Session 11)  Final paper (due Session 12) |
|  | Online assessment 1 (takes ~10 minutes, complete before Session 1)  Online assessment 2 (due BEFORE Session 2) |
| *Assignments due* | Online assessment 1 (takes ~ 10 minutes, complete **BEFORE** Session 1) |

# **SESSION 2** (February 4th)**: Distributive bargaining**

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| *Readings  (read by next session)* | *Essentials of Negotiation* Ch 2 “Strategy/tactics of distributive bargaining”; G*etting to Yes* Ch 8 |
| *Assignments due* | Online assessment 2 (due **BEFORE** Session 2) |
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| *Assignments given* | Prepare for Session 4 case (materials distributed prior to class)  Email negotiation (negotiation completed by Session 4) |

# **SESSION 3** (February 11th)**: Integrative bargaining, Part 1**

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| *Readings  (read by next session)* | *Essentials of Negotiation* Ch 3 “Strategy/tactics of integrative negotiation”; *Getting to Yes* Ch 1-4; *“Know your objectives”* (Benoliel & Cashdan); “*Scoring a deal*” (Ames, Larrick, & Morris) |

# **SESSION 4** (February 18th)**: Integrative bargaining, Part 2**

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| *Readings  (read by next session)* | *Essentials of Negotiation* Ch 4 “Negotiation: Strategy and planning”  *“Constructive conflict”* (Follett) |
| *Assignments given* | Email negotiation analysis (due in Session 5) |
| *Assignments due* | Case preparation – Complete by Session 4  Email negotiation – Complete negotiation by Session 4 |

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| **PART 2: CONFLICT AND COMMUNICATION DYNAMICS** |

# **SESSION 5** (February 25th)**: Conflict styles and dynamics**

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| *Readings  (read by next session)* | *Difficult Conversations* Ch 1-4  *“Your bargaining style”* (Shell Ch 1) |
| *Assignments given* | Conflict cycle exercise (due in Session 9)  Self video analysis (due in Session 9)  Reading reflection (due in Session 10) |
| *Assignments due* | Email negotiation analysis |

# **SESSION 6** (March 4th)**: Culture and gender**

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| *Readings  (read by next session)* | *Essentials of Negotiation* Ch 11 “International/cross-cultural negotiation”  “*Why you need to ask*” (Babcock & Laschever) |

# **SESSION 7** (March 25th)**: Trust and cooperation**

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| *Readings  (read by next session)* | *Difficult Conversations* Ch 5-6  “How to choose effectively” and “How to promote cooperation” (from Axelrod’s *The Evolution of Cooperation*) |
| *Assignments given* | Prepare for mediation case (conducted in next class)  Negotiation coaching exercise (due in Session 11) |

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| *Assignments due* | Video analysis comments to assigned classmate |

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| **PART 3: BEYOND DYADS** |

# **SESSION 8** (April 1st)**: Mediation**

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| *Readings  (read by next session)* | *Difficult Conversations* Ch 7-12  *“Managing Conflict”* (Watkins Ch 7) |
| *Assignments due* | Draft plan for real world negotiation paper |

# **SESSION 9** (April 8th)**: Agents and third parties**

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| *Readings  (read by next session)* | *Essentials of Negotiation* Ch 8 “Ethics in negotiation”  “*Bargaining with the devil …*” (Shell Ch 11); “*Confronting lies and deception*” (Malhotra & Bazerman, Ch 9) |
| *Assignments due* | Conflict cycle exercise (menu assignment)  Self video analysis (menu assignment) |

# **SESSION 10** (April 15th)**: Coalitions**

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| *Readings  (read by next session)* | “*Enhancing your negotiating power*” (Benoliel & Cashdan); *“Multiple parties, coalitions, and teams”* (Thompson Ch 9); “*Get all the parties right*” (Lax & Sebenius); “*Map the players, change the game*” (Ames) |
| *Assignments given* | Prepare for Session 11 case |

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| *Assignments due* | Reading reflection (menu assignment) |

# **SESSION 11** (April 22nd)**: Team negotiation**

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| *Readings  (read by next session)* | *Essentials of Negotiation* Ch 12 “Best practices in negotiations”  *Getting to Yes* “In conclusion”; “*A primer on personal development*” (Ames, Mason, & Carney) |
| *Assignments due* | Negotiation coaching exercise (menu assignment)  Negotiation in the news (menu assignment)  Real-world negotiation paper |

# **SESSION 12** (April 29th)**: Conclusion**

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| *Assignments due* | Final paper |

**SUMMARY OF ASSIGNMENTS**

More details on assignments will be offered during course meetings. A summary is offered below.

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| Assignment | Format | Grading | Due |
| Online  assessment 1 | Complete online survey (see Canvas site under “Pages” on left panel) | Required for everyone | BEFORE Session 1 |
| Online  assessment 2 | Complete online survey (see Canvas site under “Pages” on left panel) | Required for everyone | BEFORE Session 2 |
| Email negotiation | Complete email negotiation and capture entire transcript in Word doc | Required for everyone | Session 4 |
| Prepare Session 4 case | Upload worksheet to course website (be prepared to use in class) | Required for everyone | Session 4 |
| Email negotiation analysis | Upload annotated transcript to course website | Required for everyone | Session 5 |
| Draft plan for real world paper | Upload to course website | Required for everyone | Session 8 |
| Conflict cycle exercise | Upload to course website | Menu assignment | Session 9 |
| Video analysis | Upload to course website | Menu assignment | Session 9 |
| Reading reflection | Upload to course website | Menu assignment | Session 10 |
| Prepare Session 11 case | Upload worksheet to course website (be prepared to use in class) | Required for everyone | Session 11 |
| Negotiation in the news | Upload to course website | Menu assignment | Session 11 |
| Real world negotiation analysis | Upload to course website | Required for everyone | Session 11 |
| Negotiation coaching exercise | Upload to course website | Menu assignment | Session 12 |
| Final paper | Upload to course website | Discussed in class | Session 12 |

**READER: TABLE OF CONTENTS**

|  |  |
| --- | --- |
| Author(s) | Reading |
| Benoliel, Michael and Cashdan, Linda | “Know your objectives” (Ch II from *The Upper Hand*) |
| Ames, Daniel, Larrick, Richard, & Morris, Michael | “Scoring a deal: Valuing outcomes in multi-issue negotiations” (*Columbia CaseWorks* article) |
| Follett, Mary Parker | “Constructive conflict” |
| Shell, G. Richard | “The first foundation: Your bargaining style” (Ch 1 from *Bargaining for Advantage*) |
| Babcock, Linda and Laschever, Sara | “Why you need to ask” (Ch I from *Ask for It*) |
| Axelrod, Robert | “How to choose effectively” and “How to promote cooperation” (Chs 6 and 7 from *The Evolution of Cooperation*) |
| Watkins, Michael | “Managing conflict” (Ch 7 from *Breakthrough Business Negotiation*) |
| Shell, G. Richard | “Bargaining with the devil without losing your soul” (Ch 11 from *Bargaining for Advantage*) |
| Malhotra, Deepak and Bazerman, Max | “Confronting lies and deception” (Ch 9 in *Negotiation Genius*) |
| Benoliel, Michael and Cashdan, Linda | “Enhance your negotiating power” (Ch VII from *The Upper Hand*) |
| Thompson, Leigh | “Multiple parties, coalitions, and teams” (Ch 9 in *The Mind and Heart of the Negotiator*) |
| Lax, David and Sebenius, James | “Get all the parties right” (Ch 4 from *3D Negotiation*) |
| Ames, Daniel | “Map the players, change the game: Evaluating who is—and should be—involved in deals and decisions” (*Columbia CaseWorks* article) |
| Ames, Daniel, Mason, Malia and Carney, Dana | “A primer on personal development” (*Columbia CaseWorks* article) |