Objectives

Negotiation is the art and science of securing, or not securing, agreements between two or more interdependent parties. Managers are often in a position of trying to forge agreements – with customers, suppliers, competitors, and with superiors and subordinates in their own organizations. Because many of these business decisions are the result of interactions among interdependent actors, they involve the process of negotiation. A manager’s success is therefore often determined by his or her negotiating knowledge and skill.

While negotiating is a critical skill for the contemporary manager, it is not easy. Consider the derivation of the word from Latin -- neg (not) + otium (leisure). Negotiations vary according to the nature of the issues involved, the parties’ preferences about those issues, and the number of parties involved. But perhaps the most fundamental reason underlying the difficulties and complexities of negotiations is that they involve people. Negotiations can be as diverse, difficult and unpredictable as the parties themselves. Because this human element is always present, managerial negotiating may well involve more emotional and difficult encounters than any individual bargainer may initially expect. The course is designed to provide an understanding of the theory and processes of negotiation as it is practiced in a variety of managerial settings and to be relevant to students interested in diverse careers, such as consulting, banking, marketing, and others.

Connection to the Core

Negotiation skills considered in this course relate to those aspects of the core where decisions must be made by many managers with different perspectives and values. Negotiating is the process by which these decisions will be determined.

Course Format

This will be a highly interactive course. It is premised on a basic assumption that understanding and appreciation of negotiating are best achieved via hands-on experiences, so long as these experiences are then grounded in a combination of lecture, discussion, reading, and reflection on the underlying concepts of negotiation. There will be several role-play exercises each day. These exercises have been selected to help illustrate points in readings and lectures and to motivate further reflection and reading by class members. 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, skills and tactics that have suggested themselves to you from your own
reading and reflection.

**Readings**

Most assigned readings come from two books and you are asked to purchase these books:


All additional readings listed on the syllabus are available on the Canvas page for this class.

The Lewicki, Saunders and Barry text provides an accessible overview of negotiations research and a thorough bibliography of the relevant literature. The second book by Fisher and Ury is a more conversational, yet analytical, treatment of a number of fundamental negotiating concepts and issues. Both books are available at the University Bookstore. You are expected to complete all of the assigned readings. Evaluations of the written assignments for this class are based in part on your ability to demonstrate an understanding of concepts from the research on negotiations by analyzing your negotiations in terms of these concepts. Members of the class are encouraged to go beyond the assigned readings by investigating additional references on topics which become important and interesting to you, and to integrate references to outside materials in your analyses. Bibliographic references in LSB are useful in this regard.

**Course Requirements and Assignments**

1. **ATTENDANCE AND PARTICIPATION (15%)**

   YOU ARE EXPECTED TO ATTEND ALL SESSIONS! REMOTE ATTENDANCE IS NOT ALLOWED! The simulations build upon each other, moving from simple situations to increasingly complex ones. You will learn far more by carrying them out sequentially. Attendance is necessary not only for you, but also for the instructor and the rest of the class. The simulations require your attendance so that appropriate assignments for the exercises can be made. A medical excuse approved by Student Affairs or a family emergency is an acceptable reason for missing any portion or all of a class and will not carry a penalty. Absences for any other reason will carry a penalty of 3 points. Failure to notify the instructor or the teaching assistant prior to a class session that you will miss (even for an acceptable reason) will result in a penalty of 5 points. These penalties will be assessed if you miss part of a daily session. This portion of your grade will be determined by: (1) Your attendance and (2) Your active participation in discussions and debriefings of the negotiation exercises. Comments which help analyze negotiating experiences in terms of course concepts and materials will be the most highly valued form of participation. Note that device usage (phones, laptops) will take away from your participation grade.

You are explicitly encouraged to experiment in our class simulations. The best experiments are of course not done blindly, but instead require the development of well thought out hypotheses about how some behavior or approach might impact the negotiation process. Because well-planned risk
taking is encouraged, and because outcomes are determined by many different factors, outcomes of simulations are not graded.

As part of your participation grade, you will receive instructions via email to complete a Web questionnaire no later than 9 am on Wednesday, August 18th. Because of this assignment, this course is not eligible for the Waitlist Round, nor can it be added during Block Week Add/Drop.

2. **SHORT DELIVERABLE (10%)**

Deliverable #1 is due at 9 am on August 31st and counts for 10 points. Late submissions will not receive credit. See instructions in separate handout.

3. **SHORT WRITTEN ASSIGNMENTS (40%)**

A. Assignment #1 (25%): *Go Out and Get Yourself a Good (Distributive) Deal* – This short written assignment is due at 10 am on September 13th and has a page limit of three double-spaced pages. A separate handout describes the details of the assignment.

B. Assignment #2 (15%): *Preparation Document for The Mouse Exercise* – A separate handout describes the details of this assignment which is due at 11 am on September 3rd.

One requirement for a top evaluation on any written assignment is to incorporate references from the readings that go beyond those discussed in the class slides.

4. **FINAL PROJECT (35%)**

The final project is an in-depth analysis of a complex negotiation that will be conducted on September 3rd. The analysis of this negotiation should demonstrate your knowledge of all course concepts and readings and will be evaluated according to how accurately and extensively you apply course concepts and materials. A separate handout will describe the final project and the evaluation criteria.

The final project is due at 10 am on September 27th.
COURSE OUTLINE

DAY 1, AUGUST 30

Topic: Strategy and Tactics of Distributive Bargaining

Reading: LSB, Ch. 1, "The Nature of Negotiation", pp. 1-27.
F&U, Getting to Yes, Ch. 6, pp. 99-108, and Ch. 8, pp. 131-145.

Simulation 1: Distributive Bargaining and Basic Negotiating Constructs: Knight-Excalibur

Simulation 2: Distributive Bargaining Revisited – Distributive Tactics: Salty Dog

Simulation 3: The Power of Alternatives: Buying A House
DAY 2, AUGUST 31

Deliverable #1 due at 9 AM today

Topic: Reaching Agreement in Difficult Negotiations: Review of tactics from “Final Offer” video

Topic: Fair Division in Distribution

Simulation 4: Fair Distribution versus No Distribution: The Ultimatum Game


Topic: Strategy and Tactics of Integrative Bargaining


Simulation 5: The Criterion of Efficient Agreements: The New Recruit

Topic: Multi-Attribute Value Analysis


Topic: Understanding Interests in Negotiations

Readings: LSB, Ch. 6, "Perception, Cognition and Emotion," pp. 139-164.
F&U, Chs. 1, 2, 3, and 4, pp. 1-81.

Simulation 6: Positions vs. Interests: Texoil
DAY 3, SEPTEMBER 1

Topic: Communication and Information in Negotiations


Topic: Personal Feedback on Your Negotiating and Creative Styles

Topic: The Role of Trust in Negotiations

Reading: LSB, Ch. 9, “Trust”, pp. 210-213.

Simulation 7: Multi-Period Negotiations, Trust, and Cooperation: Comparative Advertising

Reading: Robert Axelrod, The Evolution of Cooperation, Chs. 6 and 7 (on Canvas)

Topic: Research Findings on Gender, Race and Culture in Negotiations

Topic: Pursuing Integrative and Distributive Goals Simultaneously

Reading: LSB, Ch. 4, “Negotiation: Strategy and Planning,” pp. 89-113
LSB, Ch. 1, “Value Claiming and Value Creation,” pp. 15-18 (review)

Simulation 8: Combining Integrative and Distributive Bargaining: Park Bar
## DAY 4, SEPTEMBER 2

<table>
<thead>
<tr>
<th>Topic:</th>
<th>Securing High Value Deals through Within-and Cross-Team Negotiating</th>
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<tbody>
<tr>
<td>Reading:</td>
<td>Review Course Notes and Slides</td>
</tr>
<tr>
<td>Simulation 9:</td>
<td>Metropolitan Tower</td>
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</tbody>
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### Topic: Multi-Party Business Negotiations

### Readings:
- LSB, Ch. 8, “Finding and Using Negotiation Power”, pp. 182-202
- Keeney and Raiffa, “Structuring and Analyzing Values for Multiple-Issue Negotiations,” in H. Peyton Young, ed., Negotiation Analysis. (Reread)

### Simulation 10:
- Finding Efficient Agreements when Many Parties are Involved: Towers Market
DAY 5, SEPTEMBER 3

Topic: Applying Course Lessons in Complex Negotiations

Reading: LSB, Ch. 4, “Negotiation: Strategy and Planning,” pp. 89-113 (reread)

Simulation 11: A Cross-Cultural Multi-Party Negotiation: The Mouse Exercise