Managerial Negotiations – B7510-200
Fall 2013

Meeting Location:

Office hours: By appointment

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Overview

You are already a negotiator. Of course, you did not realize you were negotiating at the
time, but that bigger, better snack in your schoolmate’s lunchbox back in third grade? You
traded your turkey sandwich to acquire it. The larger bedroom you wanted in your
parents’ new house? You crafted the deal that convinced your older sibling it was meant
for you. The summer before your last year at university you managed to purchase a car
from a graduating senior for a whopping $2000 less than he was asking (and you scored
that sweet new stereo he had installed)! And that first job you drove to with that car? You
worked out a salary agreement with the hiring manager for 5% more than they offered,
plus some money for relocation.

We realize that when we bargain for a car or a better compensation package, this clearly
involves negotiation. But what about when your significant other wants to go for dinner
in that hot new four-star restaurant, but you feel like grabbing a couple burgers at the pub
down the street? Or when you and another manager jointly supervise an intern, and you
have very different ideas about which of your projects the intern should focus on first? Do
you recognize that these examples are opportunities for negotiation too?

The point is, of course, that you probably encounter more opportunities for negotiation
than you realize. As you ascend up the ladder and become a leader within an organization
opportunities for negotiation will multiply. Two questions will arise: Do you recognize
opportunities to negotiate? Do you know how to make the most of the opportunities you
are given? This course will allow you to respond to those questions with a resolute “yes”.
And it is by no accident that I paired the words “opportunity” and “negotiation” three
times in this paragraph. We tend to think of disagreements as something to avoid, but
indeed, resolving disagreements through negotiation may lead us to better outcomes than
would have been otherwise possible.

Some people are natural negotiators; some people find negotiation awkward at best.
Fortunately, we know enough about what makes the “naturals” effective to teach you to
emulate their skills. How will this course accomplish this?
Course Objectives

You will learn how negotiations “work”, and you will learn about the different strategies and tactics available to you. You will learn to recognize how different situations call for different maneuvers. The lectures and readings will provide some frameworks and organizing principles. Meanwhile, you will participate in negotiation exercises with classmates, and we will discuss as a class what you did well or what you could do to improve.

We conduct numerous role play exercises that place you in different bargaining positions and different types of conflict. Through repeated practice you can incorporate new techniques into your style. The goal is to learn them well enough that you can execute them automatically, leaving you free to focus on the other person and to plan your next moves. The opportunities to experiment with new techniques and hone your favorite tactics will make you a more versatile and effective negotiator.

Readings

Required readings will be drawn from several books. Students are expected to read them as noted in the syllabus.


A handful of additional readings will appear in the course reader. See final page of syllabus for a list corresponding to each session.

Course Requirements

1. Attendance and Participation (35%)

*YOU ARE EXPECTED TO ATTEND ALL SESSIONS!* If you fail to arrive on time and prepared, you harm the learning experience of the classmates with whom you have been paired in the exercise. If you foresee missing a session, please e-mail me as soon as possible so that I can rearrange the pairing assignments for the exercise. *To make this concrete: An unexcused miss costs you 10 of the 35 points in your participation grade. If excused in advance and not repeated, the cost is only 3 points. The same applies to excessive tardiness.*

Preparation for the exercises is vital. You should read your role carefully. Try to take on the perspective of your character and plan a coherent set of tactics. With some exercises, there are some structured questions to answer as part of your preparation. We use your answers to these questions to demonstrate some points in class.
Participation also refers to class discussions. Of course, what matters is the quality not the quantity of your contributions and insights. Comments that analyze your experiences by applying the frameworks we develop are valuable. Comments that tie together your preparation and experience and move the discussion forward are appreciated.

2. Assignments (50%)

a) Pre-Course Surveys and Post-Negotiation Surveys
Surveys used to generate personalized reports that are designed to help your learning from the course. The surveys can be accessed from the Canvas site. All pre-course surveys must be completed by our first class meeting, Monday, September 9th at 8:30 AM. All post-negotiation surveys must be completed within 24 hours of each case/exercise.

b) Reaction Papers
Written reflection helps in drawing lessons from experience. You have two reaction paper assignments: reaction paper #1 and reaction paper #2. A description of each assignment is provided below. Please use the appropriate drop box in Canvas (labeled by assignment) by the dates provided in the class outline.

Reaction Paper #1: Video Analysis (due, via Canvas drop box, by 12:30 BRST Thursday, October 24th)
There is a 2-4 page video analysis paper. I will describe this in class and I will distribute detailed instructions. This paper requires your participation in the negotiation exercises held in class on Wednesday, September 11th.

Reaction Paper #2: Reflections on Cross-Cultural Negotiations (due, via Canvas drop box, by 3:45 pm Tuesday, December 3rd)
This is a 2-3 page paper. After our trip to Brazil and our cross-cultural case, reflect on similarities and differences in negotiations across cultures. You should engage in a cross-cultural negotiation in real life, and include a summary and results of your negotiation.

c) "Real life" negotiation assignment
This assignment challenges you to apply some course frameworks and tactics to a real negotiation or conflict. Your negotiation could involve a good or service from a merchant, a salary or bonus with an employer, a discount from a service provider, or a revised bedtime for your child. The negotiation does not need to be a success – often, you can learn as much from negotiations that fail as from those that succeed. I want you to distill your preparation to a one page document and use this as a guide during the negotiation.

You should turn in the 1-page plan and a 3-page analysis of what happened. Your grade for this project will be based on your analysis in the preparation and in your analysis of the process and the lessons to draw from this negotiation. This paper will be due in the Canvas drop box by Friday, December 6th at 12:30 pm.
There are two further ground rules:
1. You may not tell the person you are negotiating with that this is for a class project until the negotiation is complete (and then you can decide whether or not you want to tell them this).
2. You should not initiate a negotiation that you do not intend to follow through with if the outcome you desire is obtained.

**Tip:** If you really want to impress me on this assignment, engage in a “real life” negotiation twice, once early in the semester, and once closer to the assignment due date. Compare your experiences and performance on the first try with your experience and performance on the second try. What changed? Why?

### 3. Optional Final Project (15%)

In a group of 3-4, take a close look at a negotiation situation that interests you. It should demonstrate your knowledge of course concepts and readings, but it should go beyond the class concepts in its close scrutiny of the particular context on which you focus. Try to form a team with diverse skills yet shared enthusiasm about a topic.

This project is **NOT** mandatory. If you would like an “H” in the class, doing the assignment is necessary (but not sufficient to guarantee an “H”). If you do not do the project, you will get a grade lower than “H” but you will not receive an incomplete (assuming you have completed all other assignments as required).

The body of report should be 6-8 pages (12 pt font, double spaced). You should include a 1 page appendix describing how the members negotiated to choose a topic and keep the project on track. Other appendices can be attached as needed to illustrate or document points in the body of the paper (tables, timelines, etc.). The paper is **due by 6 pm on Monday, December 16th** in the labeled Canvas drop box.

The format is negotiable. The following are formats that have worked well in the past:

1. Historical study—Analyze a deal, treaty, or conflict through library research and/or interviews;
2. Consulting project—Analyze a manager’s or company’s current challenge and develop recommendations;
3. Social science study—Conduct an experiment or survey to investigate the dynamics of a particular negotiation situation;
4. Consumer review—Evaluate a technique or technology for negotiation /collaboration /resource allocation /trading /group decision making /networking etc. and make recommendations to potential users or customers;
5. Business plan—Propose a business concept related to negotiation/collaboration/resource allocation/trading/group decision making/networking etc.
6. Negotiation case/exercise—Construct a case to illustrate one or more course concepts. This should include role instructions, teacher notes, slides, exhibits, etc.
Role Play Ground Rules

These are some ground rules for our role play exercises:

1. You are expected to be prepared and on time for all negotiation exercises.

2. You should not show your confidential role instructions to other parties during a negotiation. Nor should you read it or quote it. The reason is that this has no equivalent in the real world—it would be like showing a counterpart what’s in your mind, which is impossible. At your discretion, you can speak about your interests and alternatives to the other side, but they will have to take your word for it, not read it in your role.

3. You should “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 not make up facts that materially change the power distribution of the exercise. You should not invent, for example, that your family has just bought the other side’s company, or that the EPA is planning a toxic waste dump across the street from a house for sale. If you are asked a question calling for objective factual information that is not in your confidential instructions, you should handle as you would in reality.

4. In some exercises, your role will tell you that the number of issues or terms under discussion has been fixed. If not, then it is a matter of your discretion whether to bring other issues into the discussion. It is tempting sometimes to promise certain resources from one’s organization 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. As a guide, pay close attention to what the role says about your character’s formal position and relationships in the organization. Don’t agree to things in the negotiation that would get the character fired or undermine his or her reputation.

5. The exercises are an opportunity to experiment. Unusual tactics add variety and benefit the group discussion. Needless to stay, however, steer clear of anything that verges on physical intimidation, sexual harassment, or personal abuse. We can discuss the use of such behaviors if you want, but let’s not take an experiential learning approach.

These are ground rules for class discussion:

1. The acoustics and sightlines in our classrooms are excellent. This means that you are audible and visible, so please minimize activities that may be distracting to others in class. Whispered asides to neighbors are usually audible to most of the room, although you may not realize it at the time. Cell phones and pagers should be turned off. By standard policy, one beer fine is owed for each audible ring.

2. Do not read ahead beyond that required for the next set of sessions! Sometimes the solution to an exercise or a case is given away by readings slated for later in the course.

3. It is not appropriate to borrow notes, discuss cases or exercises, or share class materials with people outside of this section. Doing so, you could inadvertently spoil your classes or
another class’s experience with a case or exercise. Contact the TA if you are missing class materials.

4. Anecdotes that come up in class or events that occur during class exercises can be misleading if heard out of context. Hence, a good rule is that personalized anecdotes or comments and writings will not leave the group. This way we don’t have to be as guarded in our actions and statements. As a group, we can learn more this way.

**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. This data is 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, I and some PhD students 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 me and your record will be deleted after the class is complete.
## Course Outline

### Session #1: Introduction, Claiming Value

**Date**  
Monday, September 9<sup>th</sup>; 8:30 – 11:30 am EDT

**Readings**  
EON, Ch 1  
Cialdini, The Science of Persuasion  
Karrass, Give and Take

**Exercises**  
Used Cars 1-3

**Assignment due**  
Web surveys due by first class meeting

### Session #2: Creating Value, Information Gathering

**Date**  
Tuesday, September 10<sup>th</sup>; 12:30 – 3:30 pm EDT

**Readings**  
EON, Ch 2  
GTY, CH 1-6

**Exercises**  
Texoil

**Assignment due**

### Session #3: Cultivating Value, Emotions

**Date**  
Wednesday, September 11<sup>th</sup>; 12:30 – 3:30 pm EDT

**Readings**  
EON, Ch 3-4, 6  
Wheeler

**Exercises**  
El-Tek  
Laptops Unlimited  
Vacation Rental

**Assignment due**

### Session #4: Preparation and Agenda Management

**Date**  
Thursday, September 12<sup>th</sup>; 12:30 – 3:30 pm EDT

**Readings**  
EON, Ch 5

**Exercises**  
Moms.com

**Assignment due**
Session #5: Communication Media
Date: Friday, September 13\textsuperscript{th}; 8:30 – 11:30 am EDT
Readings: GTY, Ch 7-8
Morris, et al.
Exercises: Bullard Houses
Assignment due

Session #6: Disputes & Third Parties
Date: Thursday, October 24\textsuperscript{th}; 12:30 – 15:30 BRST
Readings: EON, Ch 8
Malhotra & Bazerman
Exercises: Summer Interns
Assignment due: Reaction Paper #1: Video Analysis due via Canvas drop box at 12:30 BRST

Session #7: Managers as Negotiators
Date: Friday, October 25\textsuperscript{th}; 8:30 – 11:30 BRST
Readings: Tjosvold
Exercises: GreenGauge Project
Assignment due

Session #8: Style Differences: Culture & Gender
Date: Saturday, October 26\textsuperscript{th}; 8:30 – 11:30 BRST
Readings: EON, Ch 11
HBR—Nice Girl’s Don’t Ask
Morris, When Culture Counts
Exercises: Mexico Venture
Assignment due
Session #9: Teams and Power
Date  Tuesday, December 3rd; 3:45 – 6:45 pm EST
Readings  EON, Ch 7
Exercises  Brookside vs. Black
Assignment due  Reaction Paper #2: Reflections on Cross-Cultural Negotiations due via Canvas drop box by 3:45 pm

Session #10: Coalitions & Audiences
Date  Thursday, December 5th; 8:30 – 11:30 am EST
Readings  Watkins, Coalitions
GM vs. UAM, Background
Exercises  Federated Science Fund
GM Case
Assignment due

Session #11: Groups, Audience, and Constituents
Date  Friday, December 6th; 12:30 – 3:30 pm EST
Readings  EON, Ch 10
Uzzi, Your Network
Exercises  Harborco
Assignment due  “Real Life” Negotiation Assignment due via Canvas drop box by 12:30 pm

Session #12: Techniques for Multi-party Settings
Date  Saturday, December 7th; 8:30 – 11:30 am EST
Readings  GTY, Ten Questions
EON, Ch 12
Exercises  Optional final paper due via Canvas on Monday, December 16th, 6 PM