

Sitting in 15.556 will not automatically turn you in experienced, shrewd negotiators – just like taking a tennis, golf, or chess course would not miraculously transform you into professional players. Negotiation is a practice in which we all engage, whether we know it or not. What this course will do for you is provide multiple structured opportunities to reflect upon your experiences and approaches, enable you to recognize and correct many mistakes that naïve negotiators tend to commit, and increase your negotiation effectiveness. It will teach you, among other things, how to prepare for negotiations adequately, how to develop a better sense of the interests you are trying to pursue through the negotiation process, how to be creative about creating options that make your interests compatible with those of others, how to manage the relationship with your constituencies or with your agents. Also, you will learn how coalitions are formed, and how differences are mediated, accommodated, or, sometimes, resolved.

While we will be analyzing the structure and process of negotiation from a variety of disciplinary viewpoints, and especially from those of microeconomics (game theory) and psychology, this course differs from others being taught at Sloan in its political science orientation. This implies, *inter alia*, an awareness of the power structure in which negotiations are embedded, an emphasis on the process (inherently social and political) through which individual and group preferences are formed, and an appreciation of the importance of coalition building and of the role of institutions in shaping preferences and structuring interactions among actors.

This class requires active participation and involvement as key ingredients. Students taking this course are expected to attend regularly every class, to arrive (and leave) on time, and to prepare adequately for all simulations and in-class exercises.¹

I expect you to come out of this course with the following:

- an understanding of the basic concepts in negotiation theory;
- a knowledge of the structural features that differentiate across negotiation scenarios and hence affect the choice of bargaining strategies;
- greater capacity to prepare and plan for negotiations effectively;
- greater ability to analyze and understand the behavior of your counterparts;
- exposure to a variety of negotiation situations;
- a capacity to apply the concepts learnt to real world problems with a view to achieving positive outcomes, from a personal, organizational, or systemic perspective.

¹ One of the required classroom exercises ("Four Scored Negotiations," Class Three) involves a research component. In this case, you'll be asked to complete a confidential questionnaire before and after the experience. The exercise is designed to maximize both learning value and research potential, and draws on several years of experience satisfying both these criteria in the past, so don't worry about experiencing a new exercise. This exercise and all associated questionnaires are a required part of the course. However, if you would not like the outcomes of your participation in this exercise to be included - anonymously - in our research database, please notify the TA as soon as possible.

Course Materials

- Books:
- 1) Roy J. Levicki, David M. Sanders, Bruce Barry, and John W. Minton. *Essentials of Negotiations*. Third Edition. Boston: McGraw Hill, 2004.
 - 2) Roger Fisher and William Ury, with Bruce Patton, *Getting to Yes*. New York: Penguin Books, 1991.

These books can be purchased at the COOP and have been put on reserve at the Dewey Library.

- Course Packet: A 15.665 [A,B] Course Packet containing articles and book chapters can be purchased at Copy Tech (E52-045). Negotiation handouts will be distributed in class.

Requirements

- Weekly readings: Please read the articles or chapters assigned to each week before class and be prepared to discuss them in class.

Be aware that the list and sequence of weekly readings is not cast in stone. I may add or subtract readings depending on the way the course unfolds. In case of additional readings, these will be distributed to you in class at least one week in advance.

- Weekly Simulations: The course centers on a number of simulations followed by debrief/discussion. Please prepare your roles for negotiation simulations before class (unless instructed otherwise). It is extremely important that you prepare accurately. Failure to do so would result in a waste of your own time and that of your bargaining counterparts.

- Reflective Memos: Reflecting critically on one's own choices and actions is crucial for strengthening one's negotiation skills. You are required to write *three* (3) one-page memos providing structured feedback to yourself (and, indirectly, allowing us to provide feedback to you). For each of these memos, you should select one particular negotiation simulation performed in class (in which you have participated), and, by applying the relevant concepts dealt with in class, discuss what you could have done differently to improve your performance and why. Each memo should be uploaded to

your section's SloanSpace Homework folder within *two* days after the simulation in question, i.e. on the Friday (Section A) or Saturday (Section B) after class.

Ideally, you should write these memos because the class experience has inspired certain reflections that you want to articulate, not simply because you have to as part of your work assignment. Were you to find yourself in a similar situation, what (if anything) would you do differently? Alternatively, what did you do that was particularly effective?

While the choice of when to submit your memos is left to your discretion, you are advised not to submit them at the last moment. Also, take into account that in some of the last classes in the course there might not be a simulation to comment upon. A good schedule for these memos is the following: first memo between weeks two and four (February 14/15-Feb. 28/March 1); second memo between weeks five and seven (March 8/9-April 4/6); third memo between weeks nine and eleven (April 18/19-May 2/3). The first class for which a reflective memo can be submitted is class two (February 14/15); the last class is class eleven (May 2/3).

Feedback memos:

Please write *three* (3) one-page memos to classmates of your own choice. These are people with whom you have interacted in the course of a negotiation simulation. You should comment on their negotiation strategies and tactics, with a view to improving either or both. Your feedback should be constructive and based on actions, words, or facts, rather than subjective impressions. We will distribute these memos to your bargaining counterparts, who are supposed to benefit from the feedback, unless you explicitly request us not to do so, in which case we will keep them confidential until the end of course, when we will transmit them, anonymously, to the people in question. Please upload each memo onto your section's Homework folder in SloanSpace within *two* days after the simulation in question, i.e. on the Friday (Section A) or Saturday (Section B) after class.

What was stated above (in the section on reflective memos) about appropriate timing also applies to the feedback memos.

Case analysis:

Please write a 5-to-7 page (double-spaced) paper analyzing a case to be distributed in class.

This paper is due on April 11/12, prior to class (in hard copy, please).

The case and questions to be addressed in the paper will be distributed at the end of class six (March 14-15). The case will then be discussed in class on April 11/12.

Group paper:

After forming a team with colleagues, please research and write a 7-to-10 page paper (double-spaced) investigating a real-world conflict situation of your own choosing. Your choice of topic should be made in consultation with the Instructor and the TA. Please apply the concepts analyzed in the course and provide suggestions as to how the parties may be brought to (or closer to) an agreement, or, alternatively, how a better (in the sense of more efficient or stable) agreement could have been reached. All members of the team will be evaluated equally, so it is up to you to negotiate an equitable distribution of efforts and contributions within your team.

This paper is due on May 9-10 before class (in hard copy, please).

The number and size of the groups will depend on the number of people attending the class. The various groups are expected to present the results of their research in the last two classes (twelve and thirteen), on May 9/10 and May 16/17, respectively. We will discuss the content and format of this assignment in greater detail during the semester.

Forty percent (40%) of the grade for the group paper will depend on the quality of in-class presentation (which, in turn, is generally strongly correlated with the quality of the research itself).

Class Participation, Late Assignments, and Attendance Policy

A great deal of learning in this class will come from critical reflection on one's own and others' experiences. Class participation is therefore important and is measured by the quality (rather than sheer quantity) of the students' comments, as assessed by the Instructor and the TA jointly. It also includes professional behavior in the students' interactions with colleagues, the Instructor, and TA.

Written assignments are due at beginning of class, or, in the case of reflective and feedback memos, two days after class. Any assignment received after the deadline will be considered late. Late papers will lose 25% of the received grade for each day of delay.

Different from other courses, in which an absence negatively impacts on the learning process of the individual student only, in this course unexpected absences or lack of adequate preparation severely damage other class members as well. In particular,

students tend to be extremely annoyed (and justifiably so) when they are ready to engage in a negotiation simulation and their counterpart does not show up, thus causing a hasty rearrangement of groups or emergency solutions, like the student in question having to double up with someone else. To avoid these situations, the attendance policy in 15.665 [A,B] is rather strict: no absences are allowed, except in truly exceptional circumstances (of which there can be maximum 2 in the semester). Even in these exceptional circumstances, unless the instructor and the TA are notified by 12 noon of the class date, the absent student will be assessed a ten-point penalty against his/her grade (out of 100). It is not acceptable to attend other times or sections. Late arrivals (affecting the formation of groups for simulations) or lack of preparation count as unexcused absences.

Students who expect to miss more than two classes over the course of the semester should contact the instructor as soon as possible.

Grading System

1) Reflective memos (5% each)	15% of final grade
2) Feedback memos (5% each)	15% of final grade
3) Case analysis paper (5 to 7 pages):	35% of final grade
4) Group paper (7 to 10 pages):	20% of final grade
5) Class participation:	15% of final grade

List of Written Assignments

- 1) Three *reflective memos* due two days after any class between February 14/15 and May 2-3;
- 2) Three *feedback* memos due two days after any class between February 14/15 and May 2-3;
- 3) One individual *case analysis paper* due on April 11/12 before class;
- 4) One *group paper* due on May 9-10 before class.

Course Content

CLASS ONE: February 7-8, 2007

Introduction and Course Overview

Simulation: John Janssen and the Company
Read instructions (distributed prior to class) and prepare for the in-class exercise.

Readings: Bazerman, M.H. (2005), "Putting Negotiation Training to Work." (*Negotiation*, article reprint no. N0509D)

Susskind, L. (2005), "Full Engagement: Learning the Most from Negotiation Simulations." (*Negotiation*, article reprint no. N0508D)

The "Personal Evaluation Assignment" will be distributed in class and is to be completed online by Tuesday, Feb 13 at Noon for both Sections A and B.

CLASS TWO: February 14-15, 2007
Distributive Bargaining

Simulation: Parker-Gibson
Read instructions (distributed in class on Feb. 7-8) and prepare for the in-class exercise.

Readings: Lewicki et al. (2004), "Strategy and Tactics of Distributive Bargaining." Chapter Three of *Essentials of Negotiation*. Boston: McGraw Hill: 59-94.

Malhotra, D. (2004), "Making Threats Credible." (*Negotiation*, article reprint no. N0503A)

Malhotra, D. (2003), "Smart Alternatives to Lying in Negotiation." (*Negotiation*, article reprint no. N0405C)

Wheeler, M. (2002), "True or False? Lie Detection at the Bargaining Table." (*Negotiation*, article reprint no. N0311D)

Assignment: The Personal Evaluation Assignment is to be completed online by Tuesday, Feb 13 at Noon for both Sections A and B.

Nota Bene: A handout regarding the "Four Scored Negotiations" exercise will be distributed in class. You will receive an email with your confidential instructions for each exercise. Each student will negotiate 4 times outside of class, facing a different counterpart in each negotiation. The outcomes of the negotiations must be submitted online by Tuesday, Feb. 20 at Noon, for both Sections A and B.

CLASS THREE: February 21-22, 2007
Integrative Bargaining

Simulation: Four Scored Negotiations (distributed via email, negotiated outside of class, and submitted online by Tuesday, Feb. 20 at Noon) will be

debriefed in class.

N.B.: On Feb 21, each student will receive an email with personalized feedback on this exercise. Please print out this email and bring it with you to your class.

Readings: Lewicki et al. (2004), "Strategy and Tactics of Integrative Negotiation." Chapter Four of *Essentials of Negotiation*. Boston: McGraw Hill: 95-120.

Bazerman, M.H. and Gillespie, J.J. (1999), "Betting on the Future," in *Harvard Business Review* (reprint no. 99501).

CLASS FOUR: Feb. 28-March 1, 2007

Advanced Integrative Bargaining

Simulation: Sally Soprano (I)
Read instructions (distributed in class on Feb. 21-22) and prepare for the in-class exercise.

Readings:

Fisher, R. et al. (1991), *Getting to Yes: Negotiating Agreements Without Giving In*. Second Edition. New York: Penguin Books: 3-150.

Raiffa, H. (1991), "Post-Settlement Settlements." In Breslin, J.W. and Rubin, J.Z. (eds.), Negotiation Theory and Practice. Cambridge, MA: Program on Negotiation at Harvard Law School: 323-26.

CLASS FIVE: March 7-8, 2007

Negotiating with Difficult People

Simulation: The PowerScreen Problem
Read instructions (distributed in class on Feb. 28-March 1) and prepare for the in-class exercise.

Readings: Thompson, L.T. (2005), "Preparation: What to Do Before Negotiation." In *The Mind and Heart of the Negotiator*. Third Edition. Upper Saddle, NJ:Prentice Hall: 13-39.

Ury, W. (1991), "Prologue: Prepare, Prepare, Prepare." In Ury, W., *Getting Past No*. New York: Bantam Books: 15-30.

CLASS SIX: March 14-15, 2007

Negotiating with Your Constituency

Simulation: Chestnut Drive
Read instructions (distributed in class on March 7-8) and prepare for the in-class exercise.

Readings: Walton, R.E. and McKersie, R.B, (1991). "Intraorganizational Bargaining Tactics." Chapter Eleven of *A Behavioral Theory of Labor Negotiations*. Ithaca, NY: Cornell University Press: 310-51. [This chapter is from the authors' classic book on labor negotiations. The examples are from labor-management negotiations. Consider their general purchase and implications rather than specific details.]

March 21-22, 2007: NO CLASS (SIP)

March 28-29, 2007: NO CLASS (SPRING BREAK)

CLASS SEVEN: April 4-5, 2007

Multiparty Negotiations and the Forming of Coalitions

Simulation: Harborco
Read instructions (distributed in class on March 14-15) and prepare for the in-class exercise.

Readings: Raiffa, H. (1982), "Coalition Analysis" and "Voting," in *The Art and Science of Negotiations*. Cambridge, MA: Harvard University Press: 257-74 and 327-36.

Recommended: Raiffa, H. (1982), "The Law of the Sea," in *The Art and Science of Negotiations*. Cambridge, MA: Harvard University Press: 275-87.

Thompson, L.T. (2005), "Multiple Parties, Coalitions, and Teams." In *The Mind and Heart of the Negotiator*. Third Edition. Upper Saddle, NJ:Prentice Hall: 206-40.

CLASS EIGHT: April 11-12, 2007

Negotiating with Political and Societal Stakeholders

Case analysis paper due before class.

Class discussion of the case analysis paper:

“Negotiating a Template for Labor Standards: The US-Chile Free Trade Agreement.” (PON, Harvard Law School) (Do be distributed in class)

Please come to class prepared and ready to discuss the US-Chile Free Trade Agreement case in addition to the case analysis paper.

Readings: No assigned readings for this class.

CLASS NINE: April 18-19, 2007

Global Negotiations

Simulation: Mouse (DRRC Version)
Read instructions (distributed in class on Apr. 25-26) and prepare for the in-class exercise.

Readings: Lewicki et al. (2004), “Global Negotiation.” Chapter Eight of *Essentials of Negotiation*. Boston: McGraw Hill: 201-225.

Morris, M.W (2005) “When Culture Counts--and When It Doesn't.” (*Negotiation*, article reprint no. N0506D)

Brett J. and Gelfand M. (2005) “When Culture Affects Negotiating Style.” (*Negotiation*, article reprint no. N0501D)

CLASS TEN: April 25-26, 2007

Conflict Management: Mediation

Simulation: Dirty Stuff II
Read instructions (distributed in class on Apr. 11-12) and prepare for the in-class exercise.

Readings: Ury, W.L. et al. (1991), “Designing an Effective Dispute Resolution System.” In Breslin, J.W. and Rubin, J.Z. (eds.), Negotiation Theory and Practice. Cambridge, MA: Program on Negotiation at Harvard Law School, 1991: 295-322.

Moore, C.W. (1996), “How Mediation Works,” in *The Mediation Process*, San Francisco: Jossey Bass: 41-77.

Recommended: Ury, W. (1999), *The Third Side*. New York: Penguin Books.

CLASS ELEVEN: May 2-3, 2007

Conflict Management: Arbitration

Simulation: Tucker Graphics, Inc. and Nihon Ichiban Technology
Read instructions (distributed in class on Apr. 18-19) and prepare for the in-class exercise.

Readings: Cole, S.R. and Blankley, K.M. (2005), "Arbitration." Chapter Twenty of Moffitt, M.L. and Borbone, R.C., eds., *The Handbook of Dispute Resolution*. San Francisco: Jossey-Bass.

Goldberg, S.B. (2005) "Borrowing from Baseball: The Surprising Benefits of Final-Offer Arbitrations." (*Negotiation*, article reprint no. N0508B)

CLASS TWELVE: May 9-10, 2007

Team Projects

In-Class Presentations

Group paper due before class.

CLASS THIRTEEN: May 16-17, 2007

Team Projects

In-Class Presentations