

University of Illinois at Chicago
College of Business Administration
Department of Managerial Studies

MGMT: 564 NEGOTIATIONS

Fall 09

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Introduction

In this class, you should come to a deeper appreciation of two things. First, negotiations are all around you and your ability to manage them is critical to your effectiveness as a person and as a leader. Second, you can all be good negotiators. We are often subject to the stereotype that only “tough guys” are effective negotiators. This is not true. In class, we’ll be looking at several negotiation styles along with their associated strengths and weaknesses. In this class, you will gain insight into what the various approaches are, when to use them, which work best for you, and how to begin expanding your repertoire.

Negotiations are part and parcel of everyday life. On some level, much of all that individuals, groups, and organizations do is negotiated. Not surprisingly, the ability to negotiate well is critical to managerial success. This course is useful to all students, not just to those whose jobs require formal negotiations. Current organizational trends make the ability to negotiate adeptly especially important. For example, increased mobility means that many of you will need to re-negotiate your positions several times in different settings. Increased diversity means that you’ll need to be comfortable in implicit and explicit negotiations with people different from yourself. Meanwhile, growing interdependence among units and hierarchical levels within organizations as well as across organizations means that the realms of negotiations you’ll be faced with are continually expanding.

Negotiation ability is derived principally from two factors – experience and understanding. Neither aspect is sufficient without the other. As such, this class will emphasize gaining actual negotiation experience as well as contemplating general frameworks for understanding the various aspects of negotiations. In most of the classes, you will actively engage with another individual or group of individuals in negotiation simulations. Yet we will also spend time in most classes discussing how basic frameworks can help us to understand such aspects as our goals, the negotiation context, and the types of negotiation strategies and tactics most appropriate to it. By the end of the course, you should be able to think conscientiously about critical aspects of a given negotiation and to choose a strategy appropriate for yourself, your negotiating counterparts, and the given situation.

Expenses

There are two expenses associated with the course. First is the price of the course packet itself. The second is a fee for the use of simulation exercises. This second expense has historically been under \$60, though it could go up marginally if costs increase.

Readings

All the readings are included in the course pack. I often suggest additional reading for those of you who are interested in exploring a specific topic further. Typically, these are books that you might want to purchase and read. There are additional recommended books at the end of the syllabus.

Please be sure to read all the required material before class without reading ahead.

Discussions require you to master assigned reading. However, reading ahead can be problematic because it may alter your behavior in simulations, undermining your learning and that of others.

Evaluation

I hope that your focus in this class will be on learning rather than on the grade you will receive. If you learn a lot, you can pretty much count on your grade coming along well, too. Your final grade will be derived as follows:

Participation

30%

This course is largely experiential, making participation extremely important both for your own learning and for that of your classmates. I will consider the following criteria when grading participation:

1) Attendance.

Your attendance is critical and will be heavily weighted. Coming to class is very important because your classmates rely on your presence for their educational experience and because I must arrange logistics and pairings in advance. Keep in mind that your absence could affect the learning of as many as 12 students. It will also create logistical nightmares for me as I try to reshuffle things on the spot. **If you must miss a negotiation, it is very important for you to contact me more than one week in advance.** This is because I will generally hand out roles the week before a given class.

2) Role playing.

While this course is fun, it is critical to your learning and to that of your classmates that you **take the exercises very seriously**. If you are at all frivolous about what we do in the class, you will learn less and provide less opportunity for others to learn. Never demean either the people you are bargaining with or the exercises after the negotiations.

Ground rules for simulations:

- a) On most weeks, we will be doing simulations. **If you missed class, it is your responsibility to ensure that you receive and prepare the role for the following week.**
- b) When you prepare your role, it is fine to discuss it with others who share your role. It is NOT okay to discuss it with anyone who has a different role.
- c) Simulations are, by their very nature, limited. You and those with whom you negotiate will learn much more to the extent that you get into your role. **Think about your goals and strategies, and work hard to make sure they are appropriate and effective.** Consider the consequences of your actions, as they would likely be in real life situations.

3) Participation in discussions.

After each exercise, we will discuss what happened and why it happened. We will consider strategies that worked and those that did not. If you should use a strategy that was unsuccessful, I hope that you will be open and willing to discuss it in class. Often by delving into the thinking that led to a particular strategy, we can prevent it from interfering with future negotiations. Other times, we discover that the less-than-desirable outcome was a function of the interaction between the parties. This is also useful to understand. Please remember that this is a safe environment for learning and try not to feel defensive.

You will be evaluated on the quality, not just quantity, of your contribution to class discussions. Quality comments possess one or more of the following properties:

1. Link relevant concepts to current events and real world experiences.
2. Offer a different and unique, but relevant, perspective based upon analysis and theory.
3. Contribute to moving the analysis forward.
4. Integrate evidence and basic concepts with reflective thinking.

Inter-group Negotiations Exercise: 30%

During the course of the semester, you will choose negotiating teams for an inter-group negotiations exercise. When we get to the exercise, you and the members of your negotiating team will submit:

1. A planning document written before the negotiation outlining the strategy and tactics you plan to use along with an explanation for why these are chosen. This report should be no more than 5 pages double-spaced, using 12-point font. It will count for 15% of your grade.
2. A brief mid-negotiation update. This should quickly recap your initial strategy, summarize how it went during the first part of the negotiation, and provide any necessary strategy revisions. This report should be 1-2 pages and will be ungraded.

3. A comprehensive report when the negotiations are over. The third report will focus on your strategic analysis including reflections on what went right or wrong, how it could have gone better and why, etc. You will be expected to draw from frameworks and concepts we have covered in class. This report should be no more than 5 pages double-spaced, using 12-point font. It will count for 15% of your grade.

Reports are due the Sunday before class and should be emailed to me.

Negotiation Analysis 40%

Although this course may be the first time you've thought much about negotiations, you have all been negotiating for years. At the same time, you have probably overlooked many opportunities for potential negotiations. To encourage you to think about the many everyday opportunities you have to negotiate, and to improve your negotiation skills, you are being asked to **go out and negotiate!**

You can negotiate for anything you would like. Be creative. Your negotiation could be more or less tangible – ranging from monetary (service cost reduction, bonus, etc.) to behavioral (getting your partner or roommate to do more around the house, etc.) to very implicit (e.g., identity negotiations). I encourage you to choose something that you would not normally negotiate. Also, note that you do not have to buy anything to complete this assignment. Further, your negotiations do not need to be a success – often, we learn as much from negotiations that fail as from those that succeed.

There are only two rules for this assignment:

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 are not allowed to engage in a negotiation that you do not intend to follow through with if the outcome you seek is obtained.

After you have finished negotiating, you should write an analysis of the negotiation that includes a planning document, scoring system (if applicable), and a post-negotiation analysis. Your real world negotiation should be 5-7 typed pages (**no longer than 7 pages**, double-spaced, Times 12 point font, 1 inch margins). This paper is not due until the last day of class, so you should have plenty of time to find an interesting negotiating opportunity. However, I recommend starting early in considering what to do.

As with the other assignments, the key is to focus on an **analysis** rather than a description of the negotiation. Your grade for this project will be based on your creativity and your analysis of the preparation, process, and outcome of the negotiation.

Please turn in a hard copy of your report in class. Please email me **one sentence** telling me what was gained or lost during the negotiation before our last class.

Criteria for evaluating written work

Papers due in this class should be precise, organized, logical, and appropriately supported. High grades are reserved for well-written papers that demonstrate a clear, in-depth, and sophisticated understanding of key processes and concepts. Here is a loose guide to what grades mean (pluses and minuses are used to shade evaluations upward or downward).

A = Superior analysis, organization, conceptual fluency, and expression

B = Good conceptual understanding and application

C = Limited fluency with concepts and/or application, or weak expression

D = Inadequate, but capable of improvement, given effort; sloppy presentation

F = Weak, incomplete, or perfunctory

Course Outline

Module A: Introduction to Negotiations

Week 1 (Aug 24-28) Distributive Negotiations

Before class:

- Dawson, R. 2003. Secrets of Power Negotiating. *Negotiation, 5th Edition, 98-108.*

In class:

- Development on Bay Island

Week 2 (Aug 31-Sep 4) Subjective Value

Before class:

- Prepare Les Florettes
- How to get them to show you the money. *Negotiation, 4th Edition, 2-9*

In class:

- Les Florettes
- Subjective Value Index

Week 3 (Sep 7-11) Integrative Negotiations

Before class:

- Prepare Moms.com **thoroughly and be sure to review outcome formulation**
- Fisher, R. and Ury, W. 1982. Getting to yes. *Management Review, 71(2): 16-21.*

In class:

- Moms.com

Recommended reading:

- Fisher, R., Ury, W., & Paton, B. (1991) Getting to Yes: Negotiating Agreement Without Giving In. Penguin Books.

Week 4 (Sep 14-18)

Negotiating job offers

Before class:

- Prepare Job Negotiation
- Bazerman, M., and Gillespie, J. 1999. Betting on the Future: The Virtues of Contingent Contracts. *Harvard Business Review*, Sep-Oct.
- Kolb, D. 2005. Will you thrive – or just survive? *Negotiation*, 3-5.

In class:

- Job Negotiation

Module B: Negotiation Subtext

Week 5 (Sep 21-25)

The People and the Context as Determinants

Before class:

- Prepare Luna Pen A (HBS note 9-396-156).
- Allred, K. 2000. Distinguishing best and strategic practices. *Negotiation Journal*. 16(4): 387-397.
- Sebenius, J. 2002. Caveats for cross-border negotiation. *Negotiation Journal*, April, 121-133.
- Morris, M. 2005. When culture counts – and whinit doesn't. *Negotiation*. June, 9-11.

In class:

- Thomas-Kilmann Inventory
- Luna Pen

Week 6 (Sep 28-Oct 2)

Ambiguities of the People and the Context

Note – we will not meet in class this week. Rather, you will negotiate over email.

Before class:

- Thompson, L., L (2001). *The mind and heart of the negotiator* (2nd ed). Chapter 12, *Negotiating Via*

*Information Technology. Upper Saddle River, NJ:
Prentice-Hall.*

During this week:

- *Negotiate Virtual Victorian via email*

Week 7 (Oct 5-9)

The People and the Context as Negotiated

Before class:

- Identity Negotiations Note. **Critical to read in advance**
- Prepare Performance Review
- Scherreik, S. (2001). Your performance review: Make it perform. *Business Week*, 139-140.

In class: - Performance Review

Week 8 (Oct 12-16)

Influence

Before class:

- Watkins, M. 2001. Principles of persuasion. *Negotiation Journal*, 17(2): 115-137. **Critical to read in advance.**
- Kolb, D. & Williams, J. 2001. Breakthrough bargaining. *Harvard Business Review OnPoint*.
- Kolb, D. 2003. Staying in the game. Harvard Business School Publishing.

In class: - 12 Angry Men Video

Recommended reading:

- Kolb, D., and Williams, J. 2000. *The Shadow Negotiation: How Women Can Master the Hidden Agendas that Determine Bargaining Success*. Simon and Schuster. (Not just useful for women).

- Cialdini, R. 2001. *Influence: The psychology of persuasion*. Allyn & Baron.

Week 9 (Oct 19-23)

Interests, Rights, and Power

Before class:

- Viking Investments simulation.
- Galinsky, A., and Liljenquist, K. 2004. Putting on the pressure: How to make threats in negotiations. *Negotiation*, Dec: 3-5.
- Salacuse, J. 2001. Renegotiating Existing Agreements. *Negotiation Journal*. 17(4): 311-331.

In class: - Viking Investments

Recommended reading:

- Ury, W. 1992. *Getting Past No*. Random House Business Book.

Week 10 (Oct 26-30) Social and Decision Biases

Before class:

- Look through the following website before class next week and take one or more of the implicit attitudes demos (ten min). Results remain confidential.
<https://implicit.harvard.edu/implicit/demo>
- Mnookin, R and Ross, L. 1995. Barriers to Conflict Resolution: Stanford Center on Conflict and *Negotiation*. Chapter 1. **Critical to read in advance**
- Banaji, M., Bazerman, M., and Chugh, D. 2003. How (un)ethical are you? *Harvard Business Review*, 81(12): 56-64.

In class: - Implicit attitudes and negotiations

- American Dream Video

Recommended reading:

- Ayres, I. 1991. Fair Driving. *Harvard Law Review*. 104(4): 817-872. Demonstrates the potentially powerful effect of bias in one negotiation context.
- Bazerman, M. 2002. *Judgment in Managerial Decision Making*. John Wiley & Sons.
- Bazerman, M., and Neale, M. 1994. *Negotiating rationally*. Simon & Schuster.

Module C: Complex Negotiations

Week 11 (Nov 2-6) Within Group Negotiation

Before class:

- Decide groups for intergroup negotiation. Report these to Shelley in class this week.
- Prepare SUV – background and role
- Hammand, J; Keeney, R; and Raifa, H. 1998. Even Swaps: A rational method for making trade-offs. *Harvard Business Review*, 76(2): 137-150.

In class: Ford SUV Simulation

Assignment: Email Shelley Pre-negotiation Strategy Report by midnight, Sunday Nov 08.

Week 12 (Nov 9-13) Intergroup Negotiation Part 1

Before class:

- Prepare Newtown
- Submit above assignment by Sunday

In class: Newtown Negotiation

Assignment: Email Shelley Strategy Update Report by midnight, Sunday Nov 15.

Week 13 (Nov 16-20) Intergroup Negotiation Part 2

Before class: – submit above assignment by Sunday.

In class: - Newtown Negotiation

Assignment: Email Shelley Intergroup negotiation results by one hour after class ends.

Assignment: Email Shelley Final Intergroup Negotiations Report by midnight

Sunday Nov 22.

Week 14 (Nov 23-27) Group debrief with Shelley

Before class: - submit above assignment by Sunday

Assignment: Email Shelley one sentence with gains or losses from individual Negotiation

Analysis by Sunday, Nov 29.

Assignment: Bring hard copy of Negotiation Analysis to the last class.

Week 15: (Nov 30-Dec 4) Using negotiations going forward: Managers as Third party mediators

Before class:

- Submit above assignment by Sunday
- Prepare Telepro
- Read Lewicki's mediation guide
- Nugent, P. 2002. Managing conflict: third-party interventions for managers. *Academy of Management Executive*. 16: 139-155.

In class:

- Telepro
- Share thoughts from reports or other course take-aways

Other recommended books not already noted

Lewicki, Roy J., Bruce, B., Minton, J. W., & Saunders, D. M. (2002). *Negotiation* (4th Ed.). McGraw Hill Education.

Ury, W.L., Brett, J.M., & Goldberg, S.B. (1988). *Getting disputes resolved*. San Francisco: Jossey-Bass.

Raiffa, Howard (1990). *The art and science of negotiation*. Harvard University Press.

Thompson, Leigh (2001). *The mind and heart of the negotiator*. Prentice-Hall.