

SEMINAR ON NEGOTIATION AND DISPUTE RESOLUTION

PROGRAM ON NEGOTIATION AND RADCLIFFE COLLEGE

FALL 1997

SYLLABUS

Faculty

David Laws, Massachusetts Institute of Technology (Phone: 253-2084; Fax: 253-7402)
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Teaching Assistant

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(Please call the teaching assistant for administrative questions.)

Time and Place

Thursdays: 6-8:30pm in Cronkhite Hall -- 6 Ash Street, Cambridge, MA

Goals and Organization

The course has two goals. First, it should help you develop skills that will make you a better negotiator. Second, it should assist you in framing your understanding in terms of a theory of practice that will help you extend and develop your sense of practice and connect it to broader questions about learning, rationality, ethics, collective action, organizational behavior and so on. In more substantive terms, the course should help you to diagnose conflict, prepare to negotiate, negotiate purposefully and thoughtfully, and critically evaluate outcomes and experience. We will examine a variety of contexts and problems that create a need for negotiation and raise questions about what it means to negotiate well. We will explore a systematic approach to negotiation that I think constitutes good advice about what to do when your interests or beliefs are in tension with others' and you cannot act unilaterally.

You will get the opportunity to experiment with this approach and to try out alternatives in a series of negotiation exercises. These exercises form the core of the course. We will use them to examine concepts and analytic approaches. You will also find that the value of these negotiations sometimes exceeds our ability to provide an account. This means that the opportunity is always open to extend our understanding of negotiation. It challenges us individually, and as a group to provide as clear an account as we can of our experience, to listen carefully, and to reflect critically on our experience. This suggests that you can think about the course as a research seminar, in which the common experience of negotiating with each other provides the substantive basis for our analysis. At the same time, you should expect to finish the course as a more effective negotiator.

At a general level, we will move from negotiations that involve fewer factors to ones that are more complex. By the end of the course, however, we hope that you will appreciate the layered complexity that was involved in what, at first, appeared to be simple negotiations. We will move from a discussion of claiming value to the need for creating value and the integrative potential that negotiation often offers. We will turn next to look at some of the demands this places on negotiators' ability to trust and communicate and explore how these themes tie to questions about fairness and ethics. Then we will move to look at the dynamics introduced by multi-party, multi-issue, and multi-level negotiations.

Negotiation Exercises

Throughout the course you will participate in negotiation exercises. You will be assigned a role, partnered with one or more other students, given a case, instructions, and confidential information, and asked to prepare and negotiate. When cases are handed out ahead of time, you should come to class prepared to negotiate. In general, we will have a greater range of experience to draw on and a richer discussion if you prepare individually. Think of it as contributing to a bigger sample for our collective research project and controlling cross-case influences. As a group, you are dependent on each other to suspend disbelief and animate the exercises vividly and plausibly and provide a rich base of experience for us to draw on.

As a general rule, you should try to do as well for yourself as you can in these exercises. As you will see, what this means can be problematic. In many of these exercises you will receive confidential information. You may reveal as much or as little of this information (or any other information) as you wish to other parties in the negotiation. *Under no circumstances should you show another party your confidential information during a negotiation.* This rule reflects the character of actual negotiation, since there is seldom an external authority that can exert the influence your instructions do. It would be a rare

case where you could convince someone about a preference or constraint simply by showing them a piece of paper.

These games are designed to be self-explanatory. Please follow the instructions carefully. If the instructions for a multi-round game say that you and your partner must reveal offers simultaneously, without discussion, one round at a time, do not leave after abruptly presenting your counterpart with a signed list of 20 offers, as a student once did. Please observe schedules or time limits when they are provided. Beyond this, within the letter and spirit of an exercise, it's up to you how you negotiate.

It's not hard to defeat the purpose of these exercises. You can consult others who have played the exercise, deviate from the rules, or collude with your counterpart against the game. For some games, published accounts are available. Sometimes people will misinterpret instructions or come upon such information accidentally. As a tactic, however, such practices are self-defeating. They undercut the richness of experience, deaden discussion, and distort outcomes. We trust that you will try to avoid them to the extent you can.

Assignments

There are two written assignments for the course: a weekly journal and a take-home final exam. Questions for the journal will be distributed each week. The assignments are to be two to three pages each. In general, these will ask you to analyze a negotiation you have completed, prepare for an upcoming negotiation, or synthesize some aspect of your experience to date. We have found that this kind of regular reflection on experience is critical to understanding the material and developing your own approach to negotiation. We will check the journals periodically. You will also be asked to submit two entries (your choice) to be graded.

The final examination will be distributed on December 18, 1997 and will be due on January 9, 1998.

Readings

Two books are required:

Lax, David A. and James K. Sebenius, The Manager as Negotiator: Bargaining for Cooperation and Competitive Gain (Free Press, Collier Macmillan, 1986)

Ury, William, Getting Past No: Negotiating Your Way from Confrontation to Cooperation (Bantam Books, 1993)

A course reader will be handed out in class.

Selections from the course reader and the books are listed for each class. You should take the time to read them as early as possible in the course and then revisit them after you have had some experience. We will refer to them periodically. The readings will be most meaningful if you do them after you have completed each exercise and before you write your journal entry. Readings which should be completed in preparation for class are noted in the syllabus.

THE PROGRAM

September 18: INTRODUCTORY SESSION - DISTRIBUTIVE BARGAINING

Reading: The Manager as Negotiator, chapter 6

Exercise: Appleton Baker

September 25: STRATEGIES FOR CLAIMING VALUE

Readings: Wriggins, W. Howard, *Up for Auction: Malta Bargains with Great Britain, 1971*, in The 50% Solution: How to Bargain Successfully with Hijackers, Strikers, Oil Magnates, Arabs, Russians and Other Worthy Opponents in this Modern World (William I. Zartman, ed.) (Doubleday, 1976)

Schelling, Thomas, The Strategy of Conflict, pp. 21-46 (Harvard University Press, 1980, 1960).

[N.B.: Reading beyond p. 46 is optional. The simplicity of Schelling's analysis should not mask its subtlety. Be sure that you are clear on the relationship between commitments, threats and promises.]

Exercise: Distributive Game

October 2: BARGAINING AND INTERESTS

Reading: The Manager as Negotiator, chapter 4

Exercise: Sally Soprano

October 9: INTEGRATIVE BARGAINING

Readings: The Manager as Negotiator, chapters 5 and 7

Raiffa, Howard, *Post-Settlement Settlements*, 1 Negotiation Journal 9-12 (1985)
Exercises: Universal Aircraft; and Table Talk

October 16: Guest Lecturer

Professor Adil Najam

October 23: THE SECOND TENSION: EMPATHY AND ASSERTIVENESS

Readings: Laws, David, *The Role of Perspective-Taking in Negotiation*
Mnookin, Robert H., Scott Peppet and Andrew Tulumello, *The Tension Between Empathy and Assertiveness*, 12 Negotiation Journal, Pp. 217-229 (1996)

October 25: STUDIED TRUST

Readings: Sabel, Charles, *Studied Trust: Building New Forms of Cooperation in a Volatile Economy*, in *Industrial Districts and Local Economic Regeneration*, pp. 231-274 (Frank Pyke and Werner Sengenberger, eds.) (Institute for Labour Studies, 1992)

Kelman, Herbert C., *Negotiation as Interactive Problem-Solving*, 1 *International Negotiation*, pp. 99-123 (1996)

Video: Negotiating Corporate Change

October 30: CULTURE AND NEGOTIATION

Reading: Rubin, Jeffrey, *Culture in the Eye of the Beholder*
[To be handed out in class.]

Exercise: Zabian Game and Luna Pen

November 6: COALITIONS AND MULTI-PARTY NEGOTIATIONS

Reading: Sebenius, James, *Sequencing to Build Coalitions: With Whom Should I Talk First?*, in Wise Choices: Decisions, Games and Negotiations, pp. 324-348 (Richard Zeckhauser, Ralph L. Keeney, and James K. Sebenius, eds.) (Harvard Business School Press, 1994)

Exercise: Deepport

November 13: MANAGING INTERNAL AND EXTERNAL NEGOTIATIONS

Readings: The Manager as Negotiator, chapter 17

Putnam, Robert D., *Diplomacy and Domestic Politics: The Logic of Two-Level Games*, 42 International Organization 427-460 (1988)

November 20: GUEST LECTURER

Professor Howard Raiffa

December 4: GUEST LECTURER

Professor Roger Fisher

December 11: THIRD PARTY ROLES

Readings: Fuller, Lon L., *Mediation - Its Forms and Functions*, 44 Southern California Law Review, pp. 305-339 (1971)

Schwartz, Roger M., The Skilled Facilitator: Practical Wisdom for Developing Effective Groups, pp. 3-18 (Jossey-Bass, 1994)

Raiffa, Howard, *Mediation of Conflict*, The Art and Science of Negotiation, pp. 218-234 (Belknap Press of Harvard University Press, 1982)

December 18: SUMMARY AND OVERVIEW