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COURSE INFORMATION

We negotiate everyday. We enter into negotiations with potential employers, coworkers, roommates, landlords, parents, bosses, merchants, service providers, and many others. What price we want to pay, how much we want to be paid, who will clean the kitchen ... all of these are negotiations. Yet, while we negotiate often, many of us know very little about the strategy and psychology of effective negotiations. Why do we sometimes get our way while other times we walk away feeling frustrated by our inability to achieve the agreement we desire?

Negotiation is the art and science of securing agreements between two or more interdependent parties. The purpose of this course is to understand the theory and processes of negotiation as it is

practiced in a variety of settings. This course is designed to complement the technical and |

diagnostic skills learned in other courses at Kellogg. A basic premise of the course is that while a manager needs analytical skills to develop optimal solutions to problems, a broad array of negotiation skills is needed in order for these solutions to be accepted and implemented.

Objectives:

The course will highlight the components of an effective negotiation and teach students to analyze their own behavior in negotiations. The course will be largely experiential, providing students with an opportunity to develop their skills by participating in negotiations and integrating their experiences with the principles presented in the assigned readings and course discussions.

As a result of this course, I hope you will:

- o Understand more about the nature of negotiation. This objective is paramount because many of the important phenomena in negotiation (e.g., interests, goals, and cooperation) are ambiguous and often do not have "right" answers. I cannot teach you a set of formulas that will maximize your profit - although you will learn many things that may help and you will learn to recognize which strategies are effective for particular situations.

- o Gain a broad intellectual understanding of the central concepts in negotiation. These concepts will be the building blocks from which we can systematically understand and

evaluate a negotiation process. I

- o Develop confidence in the negotiation process as an effective means for resolving conflict in organizations.

- o Improve your analytical abilities in understanding the behavior of individuals, groups, and organizations in competitive situations.

o Experience the negotiation process, and learn how to evaluate the costs and benefits of alternative actions.

o Improve your ability to manage the negotiation process.

Course Requirements:

(1) participation: 20% of grade Students are expected to participate in all class discussions and negotiation exercises. If you must miss an exercise, it is your responsibility to contact me at least 24 hours before the class session, and if required, to find and coach a substitute for the exercise. You may miss one negotiation exercise without penalty if you provide this advance notice to me. Failure to contact me or to find a substitute will result in a drop of one letter grade for the course. Additionally, failure to participate in more than one exercise will result in a drop of one letter grade for the course.

Your participation grade will be based on your preparation for your roles in the negotiation exercises (when they are assigned in advance) and the quality of your contributions in class discussions. Quality comments possess one or more of the following properties:

- offer a unique and relevant perspective - contribute to moving the analysis forward
- transcend the "I feel" syndrome - include evidence, demonstrate recognition of basic concepts, and integrate these with reflective thinking
- link relevant concepts to current events.

(2) Journal Entries and Real-World Negotiation: 35% of grade Joun2a1 Entrees The purpose of the journal is to encourage you to reflect on your behavior and your classmates' behaviors in the negotiation exercises and to analyze how you have learned from these experiences. Your journal entries will also give me a sense of your individual progress and your strengths as a negotiator. Your task in these entries is to describe your reactions, perceptions, and significant insights gained from your participation in the negotiation exercises. The journal entries should not be a detailed report of everything that happened in each negotiation. Rather, the journal entries should focus on issues such as:

- A. Briefly' what happened in the negotiation. Provide a brief overview of the key events.
- B. What did you learn about yourself from this experience?
- C. What did you learn about the behavior of others from this experience?
- D. How does this experience compare to others that you have had in similar or comparable circumstances?
- E. What did you learn about bargaining or conflict from this situation?
- F. Also do the concepts presented in lectures or readings enrich your understanding of the process of this negotiation, its outcome, or your own style?
- G. What would you do the same or differently in the future, or how would you like to behave in order to perform more effectively? A "good" entry is one which tries to step back from a bargaining situation. identifies key events and processes. uses readings to help structure the analysis. and is well-written.

Each journal entry should be 1 1/2-2 typed pages (no longer than 2 pages, double-spaced, Times 12 point font). The attached course schedule lists four journal assignments. A journal entry is always due at the beginning of the class one week after it is assigned; so, a journal entry assigned on a Tuesday is due on the following Tuesday, while one assigned on Friday is due on the following Friday. (For example, Journal Entry 1 is assigned on Friday, January 9 and is due at the beginning of the class on Friday, January 16.) You must turn in two of the four assigned journal entries. '

When you hand in a journal entry -or any other course assignment-please do not put your name on your paper. Instead, please use your course identification number (from the sign-up sheet on the first day of class) on your paper.

You are encouraged to share your journal entries with the other individuals who were involved in ! your negotiation. Your feedback could be quite helpful to your peers. Real-World Negotiation: On one occasion in the quarter, you will be asked to plan and execute a negotiation for something of personal value to you and to report your strategy and the negotiation results in a 1 - 2 page paper. You can negotiate for anything you would like - a good or service from a merchant, a salary with a potential employer, etc. Specific information on this assignment will be provided on January 13. This paper is not due until February 27, so you should have plenty of time to find an interesting negotiating opportunity. (3) Ongoing group Negotiation: 10% of grade You will be working in a group with two other classmates on a multi-round negotiation that will be completed outside of class. Your group will be assigned either the role of union negotiators or company representatives, and will be paired with another group for three rounds of negotiations. Your group will work together to develop negotiating strategies and complete the negotiations. Your groups will be self-selected. Following the first class, please organize yourselves into groups of three individuals each, and give me the names of your group members by the end of class on January 13. In class on January 16, you will be told which group you will be negotiating with and will receive the information for your first group negotiation. You will be given forms to complete before and after each of the three negotiations. After each negotiation, your group should also turn in the outcomes of the negotiation. In addition, after the first round, your group will be asked to turn in the scoring system you developed for the negotiation. Before each of the three negotiations, you will receive detailed information regarding the negotiation, and grading criterion. So that you can plan ahead, below is a list of the dates each of the negotiations will be assigned, and the dates each of the assignments are due:

Date Assigned Due First Group Negotiation: 1/16/98 1/30/98 Second Group Negotiation: 1/30/98 2/17/98 Third Group Negotiation: 2/17/98 3/03/98 -

(4) Case Analysis: 35% of grade In this course, there will be no in-class examinations. Instead, your grade will be determined by the factors described above and by your performance on a final case analysis. The case analysis will provide you with an opportunity to integrate the concepts you have learned in the readings and lectures, and to apply these theoretical ideas to a "real-world" negotiation. The negotiation that will be analyzed was selected because it is quite interesting and provides ample opportunity to integrate material from the course.

You will complete the final case analysis in the groups you negotiated with for your ongoing group negotiation. Information regarding the final case analysis will be distributed during class on Monday, March 10 and your analysis will be due by 5:00 p.m. on Tuesday, March 18. Those of you planning to purchase airline tickets for a quick get-away can be assured that there will be no other in-class final exam.

Extra Credit:

You can earn up to five extra credit points in the course by bringing in articles on negotiations from the popular press or examples of interesting negotiations from movies, magazines, newspapers, etc. All you

need to do is bring me a copy of the article if it is from a magazine, newspaper, etc. If you see a noteworthy negotiation in a movie, you just need to write a description of it, the name of the movie, and where it occurred in the movie. Be certain to know the facts about the negotiation examples that you turn in because we will sometimes discuss these examples in class. You will earn one extra-credit point for each example that you turn in.

Required Text:

The required textbook for this course is *The Art and Science of Negotiation* by Raiffa. There is also a course packet containing 11 additional required readings. Both of these are available in the bookstore.

Research and Teaching:

Kellogg's Dispute Resolution Research Center (DRRC) has been instrumental in Kellogg's reputation as one of the premier institutions for teaching negotiations. Many of the individuals who have written the cases and articles you will read for this course are affiliated with the DRRC. As a result, much of the cutting-edge research on negotiations is conducted at Kellogg, and you will have the opportunity to benefit from this research in this course. If you do not want your outcomes from any exercise used for research purposes, please notify me.

Office Hours:

I will have office hours on Mondays from 3:00 - 5:00. My office is Leverone, 357. Please stop by! I will also be happy to schedule appointments to meet with you at other times. Please contact me to schedule an appointment. My telephone number is listed on the front of the syllabus.

COURSE OUTLINE

Topic One: An Introduction to Negotiation

January 6

After Class

Read:

Raiffa: pp. 7-19 (Overview, Chapter 1) Topic Two: Simple, Two-Party Negotiations January 9

In Class

Exercise: Synertech-Dosagen After Class

Read:

Raiffa: pp. 33-43 (Chapter 3) Raiffa: pp. 44-51 (Chapter 4 up to "Each Party Know the Other's Reservation Price") Raiffa: pp. 119-130 (Chapter 9) Aaronson: *Winning at the Sport of Negotiation* (in Course Packet)

Assignment:

Journal Entry 1: Synertech-Dosagen January 13

In Class

Exercise: The Bonus Assignment Due: Names of group members for Ongoing Group Negotiation should be given to me

by the end of class (Remember: 3 people in each group).

After Class

Read:

Raiffa: pp. 51-65 (Conclusion of Chapter 4) Schelling: An essay on bargaining (in Course Packet)

Assignment:

Prepare role for Coast News negotiation next Monday 201

Topic Three: Multiple Issue Negotiations January 16: I

In Class

Exercise: Coast News . Assignment Due: Journal Entry I: Synertech-Dosagen

After Class

Read: Raiffa: pp. 13 I. 164 (Intro. to Part m; Chapter IO; Chapter I) .' Lax and Sebenius: Interests: The measure of negotiation (in Course Packet) Two additional articles by Lax and Sebenius: Creating Value and Claiming Value (both m Course Packet) should be read by January 30. Assignment: Journal Entry 2: Coast News January 20

In Class

Exercise: Maximizing "Win/Win" Negotiations After Class

Read:

Raiffa: Post-settlement settlements (in Course Packet) Bazerman, Russ, and Yakura: Post-settlement settlements in two-party negotiations Topic Four: A Little Breather - Some Time to Work on Group Negotiation #1 January 23

In Class

Assignment: Meet with Group Members to Work on Strategy for Negotiation #1

Assignment Due:

Journal Entry 2: Coast News January 27

In Class

Assignment: If you have not already done so, begin Group Negotiation #1 with your assigned party. Note that this negotiation may take longer than an hour and 40 minutes - the allotted class time is being provided to help you to complete the negotiation by next Monday.

After Class

Assignment:

Prepare role for Working Women negotiation on Friday 2G2

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Topic Five: Beyond "Win Win" January 30 | In Class

Exercise: Working Women

Assignment Due: Outcomes and Scoring System for Group Negotiation #1 due ;

After Class:

Assignment: Journal Entry 3: Working Women February 3

In Class Debrief: Working Women

Topic Six: Third Party Intervention February 6

In Class

Exercise: Buying a Firm

Assignment Due:

Journal Entry 3: Working Women

After Class

Read:

Raiffa: pp. 91-107 (Chapter 7)

February 10 In Class

Debrief: Buying a Firm

After Class

Read:

Raiffa: pp. 218-234 (Chapter 15)

Downie: When negotiations fail: Causes of breakdown and tactics for breaking the stalemate (in Course Packet)

February 13 In Class

Exercise: Sudden Impact

Topic Seven: Mediation February 17 o In Class

Assignment Due: Outcomes of Group Negotiation #2 due

After Class

Read:

Raiffa: pp. 66-77 (Chapter 5)

Assignment:

Prepare role for Rapid vs. Scott negotiation on Friday

February 20

In Class

Exercise: Rapid vs. Scott

After Class

Read:

Raiffa: pp.205-217 (Chapter 14)

Topic Eight: Coalitions February 24

In Class

Exercise: Social Services

After Class

Read:

Raiffa: pp. 251-274 (Intro. to Part IV; Chapter 17)

Assignment:

Journal Entry 4: Social Services

February 27

In Class

Debrief: Social Services

Assignment Due: Real World Negotiation

After Class

Assignment:

Prepare role for Harborco negotiation next Tuesday

Topic Nine: Complex, Group Negotiations March 3 In Class Exercise: Harborco Assignment Due: Outcomes for Group Negotiation #3 due Journal Entry 4: Social Services

After Class

Read: Raiffa: pp. 344-360 (Chapter 25; Epilogue) _ Lax and Sebenius: Three ethical issues in negotiation (in Course Packet) Shell: When is it legal to lie in negotiations (in Course Packet) March ~ '

In Class Debrief: Harborco After Class

Read: Brett: Negotiating Group Decisions

Topic Ten: What Did You Learn?

March 10

In Class F Final Case Analysis Distributed Film: Need to See This to Complete the Final Case Analysis - After Class Assignment: Final Case Analysis - due Tuesday, March 18 by 5:00 p.m. March 13 In Class Grand Finale After Class Assignment: Final Case Analysis - due Tuesday, March 18 by 5:00 p.m.