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Northwestern University  
Kellogg Graduate School of Management  
OB D70: Negotiations  
Spring, 1997

Instructor: Dr. Leigh Thompson  
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Meetings: Mondays & Thursdays 1 -2:40; 3-4:40

Office hours: by appointment

Overview:

The purpose of this course is to understand the theory and processes of negotiation so that you can negotiate successfully in a variety of settings. The course is designed to be relevant to the broad spectrum of negotiation problems faced by the manager and professional. If you take advantage of everything this course has to offer, you will be comfortable and adept in many of your future negotiations. Since almost everyone negotiates all the time, this course is relevant to almost any student pursuing a managerial career.

This course is designed to complement the technical and diagnostic skills learned in the other courses at Kellogg. A basic premise is that the manager needs analytic skills as well as interpersonal skills for effective negotiation.

The course will allow students the opportunity to develop these skills experientially and to understand negotiation in useful analytical frameworks.

Each week, we will cover an aspect of negotiation in depth, explicate some key issues, discuss the reading, and examine critical issues that have been raised with regard to your experience.

Objectives: The following is a partial list of objectives:

- improve your ability to negotiate effectively
- be able to analyze negotiation situations
- develop a strategic plan for effective negotiation
- gain an intellectual understanding of negotiator behavior

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- to gain confidence as a negotiator

Course Format:

The core of the course is a series of 10 negotiation exercises. These are framed and analyzed in terms of readings, lecture, and in-depth class discussions. Whereas we officially meet for 1 hour and 40 minutes, we may need additional time after class on certain negotiation days. In addition, you will be meeting with other class members outside of class for many of your negotiations. You may have to stay after class to arrange these meetings.

An essential contribution I ask each of you to make to this course is to be professional in your actions in the class and your interactions with me and with your classmates. Treat the exercises and games 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. This does not mean that you have to be stern and not enjoy the bargaining we do in class. Instead, it means that you should take your roles seriously and the exercises seriously. You should try to do well and you should not demean the exercises or the people with whom you are negotiating. You should consider the consequences of your action within the framework of the exercise and what they might be actual professional situations. You should do as well as you can within the constraints of the situation.

One other central element of the course will be the production of new information about negotiation. What this means is that some of the classroom exercises will double as research investigations. In many cases, you'll be asked to complete confidential questionnaires before or after the experience. This also fits the philosophy of the course: Almost all of the exercises you will experience have been studied in previous research projects in former classes, like yours. Students from those classes have contributed to your learning experience.

By participating in new research projects, you contribute to the experiences of future students. In every case, these new exercises will also be designed to maximize both learning value and research potential. We've had a lot of practice satisfying both these criteria in the past, so don't worry about experiencing new exercises. They help keep the course fresh.

One final thing. After each exercise, we will discuss what happened and why it happened. We'll discuss strategies that worked and strategies that

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didn't. If you should use a strategy that did not work, I (or someone else) will probably ask you about it and expect you to be open and willing to discuss it in class. These exercises will probably be new to everyone. Thus, people will make mistakes and use inappropriate strategies. By delving into the thinking that led to a particular strategy, we can identify biases and not let them interfere with future negotiations. So, I am not picking on you when I ask you about your strategies. To learn as much as we can in this class, we need to discuss not just what happened but why. Hopefully, you will all learn a lot about negotiation and yourselves.

The Kellogg honor codes standards apply to D70 as follows:

- a. you are expected to be prepared and on time for all negotiation exercises (see attendance policy)
- b. you may not show your confidential role instructions to the other parties, though you are free to tell the other side whatever you would like about yourself
- c. do not make up facts or information that materially change the power distribution of the exercise
- d. you may use any strategy short of physical violence to reach agreement
- e. It is not appropriate to borrow notes or discuss cases with people outside of class.
- f. class discussion stays in class

Readings:

Case packet (manuscript by Thompson; chapter by Raiffa)

Important note: do not read course assignments in advance of the date for which they are assigned

Grading:

- 1/3 class participation
- 1/3 out-of-class negotiation
- 1/3 case analysis of real negotiation

1. class participation: There are 3 important aspects of class participation:

(a) You are expected to attend all class meetings during the time for which you are enrolled and to be prepared (i.e., complete readings in advance of the class meeting). It is not acceptable to attend other times/sections.

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(b) You are expected contribute to discussion. You will be evaluated on the quality (not quantity) of your contributions and insights. Expect to be called upon in class. Quality comments possess one or more of the following properties:

- offer a different and unique, but relevant perspective based upon analysis and theory (not intuition or casual observation)
- contribute to moving the discussion and analysis forward
- build on other's comments
- transcend the "I feel" syndrome; that is, includes some evidence or logic
- do not begin with, "Well, I don't know about that, but I do think that..."

(c) D70 has an attendance policy that is strictly enforced. You are expected to participate in all negotiation exercises and class discussions. If you: fail to participate in more than one exercise, arrive after 5 minutes of the beginning of class, are unprepared, or not present to obtain negotiation role assignments in class, you will be penalized one letter grade. Participation includes full preparation for exercises. Lack of preparation for an exercise will be treated like an absence for that exercise. If you fail to inform me of your absence in advance of class (by 48 hours), you will lose an additional letter grade. Each student is allowed one miss without penalty, assuming that the instructor has been notified in advance and the student has found a suitable replacement. Medical excuses and deaths in the immediate family are the only acceptable excuses for missing an exercise. If you will be absent or unprepared, you are responsible for notifying me in advance. Failure to notify doubles the penalty.

2. out-of-class negotiation project 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 3 rounds of negotiations. Your group will work together to develop negotiation strategies and complete the negotiations.

Your groups will be self-selected. Following the first class, please organize yourselves into groups of 3 individuals each and give me the names of your group members by Monday April 7th. The next week, you will be told which group you are negotiating with and will receive the information for your first group negotiation.

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After each negotiation, your group will be asked to turn in the outcomes of the negotiation. Also, after the first round, your group will be asked to turn in the scoring system you developed for the negotiation. Likewise, following the third round, all participants will be asked to answer a few short questions about the negotiating process. Before each of the three negotiations, you will receive detailed information regarding the negotiation, and grading criteria. The written assignments are due on the date indicated; assignments turned in after the required date will receive a grade reduction of one letter grade for every class day they are late. So that you can plan ahead, below is a list of the dates that each negotiation will be assigned and the dates each of the assignments are due:

Negotiation	Date assigned	Due date
1st group negotiation	April 14 (Mon)	April 28 (Mon)
2nd group negotiation	April 28 (Mon)	May 12 (Mon)
3rd group negotiation	May 12 (Mon)	May 29 (Thurs)

3. Case analysis of real negotiation. In this course, there will not be an inclass examination. Instead, this part of your grade will be determined by 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. Information regarding the final case analysis will be distributed during class on June 2nd and your analysis will be due during the final exam period.