



UC DAVIS

GRADUATE SCHOOL of MANAGEMENT

PREPARING INNOVATIVE LEADERS FOR GLOBAL IMPACT

MGB 246

Negotiations in Organizations

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Course Description

It is difficult to imagine a day in our lives going by without a negotiation taking place. We constantly negotiate with many types of people, including employers, customers, co-workers, landlords, parents, significant others, friends, service providers, and other students. Some of these negotiations, such as negotiating with a friend over what movie we will see tonight, are trivial; other negotiations, such as negotiating a job offer, can have profound influences on our personal and professional lives. Despite the fact that we constantly negotiate, many of us haven't taken the time to think deeply about what determines success in negotiation.

Negotiation is the art and science of securing agreements between two or more interdependent parties. The purpose of this course is to help you develop expertise in managing negotiations that occur in a variety of business settings. As a manager you not only need analytical skills to discover optimal solutions to problems, but also good negotiation skills to get these solutions accepted and implemented. This course focuses on developing your negotiating skills and making you a more confident negotiator. By the conclusion of this course, you will have improved your ability to diagnose negotiation situations, strategize and plan upcoming negotiations, and engage in more fruitful negotiations, even in situations where you are dealing with difficult negotiation partners.

The goals of this course are to help you to: (1) understand the nature of negotiations, including the influence of human interests, goals, perceptions, and emotions, (2) develop an intellectual framework, based on social psychological theory, to help you analyze negotiation problems, (3) to develop skills and confidence as a negotiator, and (4) to provide you with experience in the negotiation process in a variety of contexts.

Course Format

The learning method is largely experiential and focuses on the development of practical skills. This class involves a series of negotiation exercises, in-class debates, and a course project. We will spend the majority of each class carrying out negotiation exercises or in-class debates. The remaining time will be spent on in-depth discussion and short lectures, videos, or presentations. Because most of the exercises in this class will be new to you, there is a good chance you will make some mistakes and sub-optimal agreements. Our in-class discussion will focus on these mishaps and will depend on your willingness to be open about what happens in each negotiation exercise. You will not be graded on your success in negotiations - so there is no need to be silent about problems or mistakes you've made.

This class is most useful and most enjoyable when participants sincerely engage in their negotiation roles. If you are frivolous about what we do in class you will learn less and provide less opportunity for others to learn. This does not mean that you cannot have fun in the course. It means that you should take the course and your negotiation roles seriously. You should try and do as well as you can in the exercises. You should think carefully about what you are doing and try to apply course concepts in your negotiation attempts. You should also try and learn from your mistakes and, by being candid in class discussions, allow others in the class to learn from them as well. Hopefully you will learn a lot - about bargaining and about yourself.

Course Materials

Negotiation: Readings, Exercises, and Cases, 6th Edition. Lewicki, Roy J., Bruce Barry, and David M. Saunders. 2010. New York: McGraw-Hill/Irwin

Negotiating Rationally. Bazerman, Max H. and Margaret A. Neale. 1992. New York: The Free Press.

Additional course readings available through Study.net

Course Requirements

1. Class Participation (25% of grade): Attendance and class participation are an essential part of the learning process in this course. If a reading is listed in the syllabus for discussion, you should be prepared to contribute to the class discussion of that reading. Most importantly, you should be ready and willing to participate fully in all negotiation simulations and all in-class debates. Because this class only meets for 10 sessions, and because the progression of negotiations depends on learning between a stable set of classmates, it is very important that you attend all classes. If you cannot attend class, make sure to notify me at least 24 hours in advance via e-mail. If you are absent more than two sessions, you will fail the class. If you anticipate missing more than two sessions due to other demands on your time, please do not enroll in the course.

What you learn in this class will depend not only on completing the readings and listening to lecture but also on student discussion. Spirited, informed discussion of the readings, cases and negotiations is a critical component of the course. In evaluating class participation, I will attend to both the quantity and quality of comments, but quality is ultimately the most important. Because class time is limited, each time a student is called upon is an opportunity to advance the discussion in a way that enhances everyone's learning. I will occasionally "cold call" students in class. The point of the "cold calls" is not to embarrass anyone, but to ensure that all students are invited to contribute, and to keep the discussion from becoming unbalanced, with a few students doing most of the talking.

What constitutes a quality comment? Here are some general guidelines.

- An "exceptional" comment provides some fundamental structure to the conversation either by distilling an underlying theme from disparate comments or by critiquing a set of comments. An exceptional comment will change the way people view some important part of the case.
- A "good" comment advances the conversation, by making an analytical point and referring to supporting data, by asking a good question, by offering a thoughtful critique of previous comments, or by expanding on previous comments. Supporting data may come from readings, from other cases, or from personal experience.
- A "fine" comment provides some information that adds to the discussion.
- A "poor" comment is one that seems to indicate a lack of preparation and/or a lack of attention to the "flow" of the conversation (for example, making a point that has already been covered earlier).

2. Learning Journal (15% of grade): You will keep a learning journal to help you reflect on your development as a negotiator and your learning from the exercises in class. See the guidelines attached to this syllabus for a description of what the journal requires. You are expected to complete the learning journal entries for each negotiation by the next class meeting.

3. Position Papers (30% of grade): You will be required write 3 group position papers during the course. Groups will be assigned a position to take on each case (see course outline below). Each group will hand in a 3 page written analysis of the case at the beginning of class on the day it is assigned and discuss the strengths of their assigned position (see attachment for details of position paper write-ups). Group members should be prepared to informally discuss their position in class. Each group will prepare 1 overhead slide summarizing their position for the 3 position papers they write, and will present this slide (very informally) in class. Each paper is worth approx. 10% of the course grade.

4. Final presentation (30% of grade): You will be required to make a final group presentation that examines a real-life negotiation reported in the media. You will be required to use the case to examine one of the course concepts in detail. The presentation

should use power point slides and last 15 minutes. You will hand in copies of your power point slides the day of the presentation. There will be no paper accompanying your presentation. No paper to hand in, just copies of your power point slides.

Academic Integrity

All students who take this course are governed by the University of California's standards of ethical conduct for students, in particular, the sections on academic conduct and integrity. These sections set forth the responsibilities of students and faculty to maintain a spirit of academic honesty and integrity at U.C. Davis. It is essential that you are aware of this code of conduct and the disciplinary actions that may be taken in the event of a violation. A copy of the Code of Academic Conduct may be found in your student handbook or at: <http://sja.ucdavis.edu/pdf/CAC.pdf>. Further details may be obtained from the GSM Associate Dean or the Office of Judicial Affairs.

Specifically, academic integrity for this course boils down to the following:

1. You are expected to be prepared and on time for all negotiation exercises (see attendance policy).
2. Do not show your confidential role instructions to the other side, although you are free to tell the other side whatever you would like about your confidential information.
3. Do not discuss cases with people outside of class.
4. Class discussion stays in class. In negotiations debriefs, sometimes tensions run high. Comments should not stray to the personal, but focus on analyzing the negotiation process.
5. For paper assignments, do not misrepresent the written work of others as your own written work.

Note! For all written assignments:

1. I do not accept late papers.
2. Adhere to all page limits. Otherwise the paper will lose half a letter grade.
3. Remember to cite appropriately, even when drawing on the readings I've assigned. Otherwise, how will the reader know what reading you are referring to?
4. A good paper:
 - Is clear and effective at getting your point across
 - Directly demonstrates that you have learned something from the class:
 - Specifically refers to course concepts
 - References appropriately
 - Provides specific, detailed evidence to support your points

Course Outline

JUNE 29th SESSION 1

The Nature of Negotiation

Readings: Three Approaches to Resolving Disputes: Interests, Rights, & Power (Lewicki: 1-13)
Selecting a Strategy (Lewicki: 14-29)

Negotiation: The Salary Negotiation (Lewicki: 513)
NOTE: For negotiation exercises, this page number refers to the background of the exercise in the text. Please read it before class!

SESSION 2

Negotiating Rationally: Common Mistakes

Readings: Bazerman & Neale: Chapters 2-8

Negotiation: Job Offer Negotiation (Lewicki: 514)

JULY 13

SESSION 3

Negotiating Rationally: Distributive Bargaining

Readings: Bazerman & Neale Chapters 9 & 10
Prepare, prepare, prepare. William Ury, Getting past no: Negotiating your way from confrontation to cooperation, 1993, Bantam. (Study.net)
Winning at the Sport of Negotiation, from Kathy Aaronson, *Selling on the Fast Track*, 1989, Putnam. (Study.net)

Negotiation: Knight Excalibur (Lewicki: 492)

Position Paper 1: Strategy: Trusting Collaboration vs. Firm Competition
Case Study: *Capital Mortgage Insurance Corporation (A)* (Lewicki: 567-581)

Argue either: *Position 1*: Randall and Dolan should use a *competitive* strategy in negotiations to acquire CTS, or *Position 2*: Randall and Dolan should use a *collaborative* strategy in negotiations to acquire CTS (see article from Session 1 for review of these strategies).

SESSION 4

Negotiating Rationally: Integrative Bargaining

Readings: The Negotiation Checklist (Lewicki: 34-47)
Implementing a Collaborative Strategy (Lewicki: 80-95)
Bazerman & Neale: Chapter 11

Negotiation: Newtown School Dispute (In-class handout)

JULY 27th
SESSION 5
Power and Influence in Negotiation

Readings: Where Does Power Come From (Lewicki: 159-167)
Harnessing the Science of Persuasion (Lewicki: 168-176)
The Six Channels of Persuasion (Lewicki: 177-182)
The Fine Art of Making Concessions (Lewicki: 240-243)

Negotiation: Elmwood Hospital Dispute (Lewicki: 531)

SESSION 6
Negotiation Through Third Parties

Readings: The Tension between Principals and Agents (Lewicki: 256-266)
When and How to Use Third-Party Help (Lewicki: 417-434)
Bazerman & Neale: Chapter 15

Negotiation: The New House Negotiation (Lewicki: 542)

Due in class:

Position Paper 2:

The role of agents and third parties
Case Study: A Power Play for Howard (Study.net)

Defend either *Position 1*: Howard's agents, Falk and Polk, improved his outcomes or *Position 2*: Howard's agents, Falk and Polk, hurt his outcomes in the negotiation.

AUGUST 10th
SESSION 7
Ethics and Negotiating in Difficult Situations

Readings: Three Schools of Bargaining Ethics (Lewicki: 198-203)
Negotiating with Liars (Lewicki: 183-192)

Staying in the Game or Changing It (Lewicki: 211-224)

Exercises: Ethics Questionnaire – Handout
Moves and Turns exercise

SESSION 8

Individual and Cultural Differences in Negotiation

Readings: Culture and Negotiation (Lewicki: 321-338)
Negotiating with Romans, Part 1 - Stephen E. Weiss, Sloan
Management Review, Winter 1994, p. 51-61 (Study.net)
Negotiating with Romans, Part 2 - Stephen E. Weiss, Sloan
Management Review, Spring 1995, p. 85-99 (Study.net)

Negotiation: Alpha-Beta (Lewicki: 560)

Due in class:
Position Paper 3: Cultural Negotiation Styles
Case Study: Sick Leave (Lewicki: 666-676)

Defend either *Position 1*: the students should "adapt to Mr. Higashi's script" in carrying out negotiations about sick leave, or *Position 2*: the students should "coordinate adjustment of both parties (i.e., students and Mr. Higashi) in carrying out negotiations about sick leave.

AUGUST 24th

SESSION 9

Course Wrap-up

Film: Final Offer

SESSION 10

Final Group Presentations

Learning Journal Guidelines

The learning journal is a confidential, written record of your personal learning. It can become the beginning of a lifelong project to improve your ability to negotiate. The first entry in your journal should be an initial statement of your specific goals for the course. The last entry in your journal should be a review of these goals, a summary of what you feel you accomplished during the quarter and a statement of what you feel you still need to work on. The rest of the journal entries consist of post negotiation analyses.

For each and every exercise you participate in during the quarter, you are expected to write an entry recording the insight you gained and the application of negotiation principles you learn from lectures and readings. These post-negotiation analyses will allow you to reflect on successful and failed strategies and should allow you to better prepare for and respond during subsequent negotiations. Use your journals to explore your feelings about the negotiation process and your developing sense of strengths, weaknesses, comfort or discomfort. Note that the best journals spend more time exploring what the author can do to improve and less time blaming others for having various faults, defects, and failures. Finally, these journals will remain confidential.

- (1) Initial Goal Statement: 1-2 page goal statement is due after the first class session. You should discuss your current negotiation strengths and weaknesses (prior to this course) and set concrete goals for the quarter.
- (2) Post Negotiation Analyses: 1 page (3-4 paragraphs) that reflects on your behavior and your classmates' behaviors in each of the negotiation exercises. These should not be a detailed report of everything that happened in the negotiation, but rather key insights. The analysis should consider the following questions (but may focus in detail on just one or several):
 - (a) Facts: Provide a brief overview of key events (How was the time allocated? Offers: opening-offer and counter-offer, as well as progression of offers? How was information exchanged? Were there pivotal turning points?)
 - (b) Tools/Concepts: What did you learn about bargaining or conflict management from this situation and how do the concepts presented in the lectures or readings enrich your understanding of the process of this negotiation, its outcome, or your own style?
 - (c) Mistakes: What did you do that you wish you hadn't done? Why?
 - (d) Insights: What did you learn about yourself from this experience? What did you learn from the behavior of others in this experience?
 - (e) Emotions: How did you feel prior, during and after the negotiations? How did you feel about your negotiation partner? How did your feelings influence your actions?

(f) Goals: What would you do the same or differently in the future, or how would you like to behave in order to perform more effectively?

(3) Final Goal Statement: 1-2 page goal statement that reviews your accomplishments and sets goals for continued improvement of your negotiation skills. Review your class notes, negotiation exercises, and your initial goal statement before writing this paper. This statement should:

- (a) Discuss accomplishment in terms of your initial goals.
- (b) Analyze valuable learning points from exercises, class, and readings.
- (c) Set future goals.

Logistics for Learning Journal Assignments

You will bring a copy of the prior week's learning journal to the next class session and will be discussing it with a partner. At the end of the quarter (**August 24th**), you will hand in the entire journal in hard copy form to be graded.

GROUP POSITION PAPER GUIDELINES

1. Purpose of the Papers:

- 1) To analyze an organizational case and answer case discussion questions.
- 2) To argue for a given position in a class presentation to motivate discussion about the case.

2. Written paper guidelines:

1. Organization The paper should have three parts:

- 1) Brief overview of the case and major issues it discusses. (1/2 page)
- 2) Description of the interests, issues, positions and BATNAs that exist for the parties. (1/2 to 1 page)
- 3) Discussion of your position and how it helps both parties to meet their interests, and how your position is superior to the alternative. Here you must support your assigned position by grounding it in the reading. (1-2 pages)

2. Requirements:

- 1) No more than 3 pages, double spaced, 12 point font.
- 2) Organize into the three parts described above.
- 3) Advocate your assigned position.

3. Managing the Papers:

- 1) Meet as a group to hammer out key concepts. Discuss your take on the major incongruencies and the positions before you start writing.
- 2) Divide and conquer: You may find it efficient to divide up the work, but make sure everyone has an important job. Don't just make one person the "typist".
- 3) Make sure that one person edits the final draft for style and organization.
- 4) Dealing with group problems: See me as early as possible.

4. Notes for writing a "10" paper:

- 1) Answer all of the questions clearly and directly - don't make me hunt for the answers
- 2) Back up all assertions with: a) logical arguments, b) theory from readings, and c) illustrations and facts from the case.
- 3) Cite the readings properly

(Fictitious) Example:

Question: Should the miner have taken an interest, rights, or power approach to the dispute with his shift boss over his stolen work boots?

Answer: The miner should take an interest-based approach to this negotiation because it would probably result in greater satisfaction and less strain on the relationship [*statement with logical argument*]. Based on our readings about interests, rights and power in resolving disputes (*put in reading citation here*), although interest-based approaches are not always better than those involving rights and power, they are generally the least costly. In this case, the miner's rights-based claim that the company should do something to protect the property was easily countered when the shift boss's referred to mine regulations [*case facts*]. While the miner could resort to a power-based approach by provoking a walkout, this would be financially and emotionally costly and put a large strain on the relationship [*case facts*]. By drawing on an interest-based approach and treating the stolen boots as a joint problem to be solved, the miner and shift boss could have resolved their dispute in the least costly manner.