



MGV 246V
Negotiations in Organizations
Graduate School of Management
University of California, Davis

Learning Objectives

It is difficult to imagine a day in our lives without a negotiation occurring. 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, or a corporate merger, 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) develop skills and confidence as a negotiator, (4) gain valuable experience in the negotiation process in a variety of contexts, and (5) understand negotiation theory and concepts from the instructor's experiences in leading a technology company.

Relevant Theory

Course theory and concepts come primarily from the two course textbooks; Bazerman and Neale's Negotiating Rationally, and Lewicki, Saunders, and Barry's, NEGOTIATION: Readings, Exercises, and Cases. In addition, "game theory" as it

relates to improving negotiating outcomes through artful agenda design, is highlighted throughout the course.

The learning method is largely experiential and focuses on the development of practical skills. This class involves a series of negotiation exercises, case studies and related team in-class debates, and a team 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 serious about what we do in class you will learn more and provide more opportunity for others to learn. 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.

Relevant Readings

Required Textbooks:

1. Negotiation: Readings, Exercises, and Cases, 7th Edition. Lewicki, Roy J., Bruce Barry, and David M. Saunders. 2015. New York: McGraw-Hill/Irwin. **(ISBN-13: 978-0077862428)**
2. Negotiating Rationally. Bazerman, Max H. and Margaret A. Neale. 1992. New York: The Free Press. **(ISBN-13: 978-0029019863)**

Course Packet:

1. Additional required course readings available through Study.net. and the campus library. Item from the library require you to be on campus or **use the [library VPN](#)**. The location of the readings are noted in the detailed schedule.
2. Moms.com and Federated Science Fund simulations billed separately.

Course Schedule and Student Preparation

SESSION 1

The Nature of Negotiation

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

Negotiation: Salary Negotiations (Lewicki: 561)
NOTE: For negotiation exercises, this page number refers to the background of the exercise in the text. Please read it before you begin the asynchronous coursework.

The Real World: *From time to time, the instructor will discuss real negotiations he was involved in related to the topic at hand, at his company, SkyStream Networks. This story: My two most critical negotiations at SkyStream.*

DUE immediately before Live Session:

1. Learning journal – Goal Statement
2. Background questionnaire

SESSION 2

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)
What is Game Theory? UCLA: David K. Levine
Game Theory in Practice, The Economist: 2011 (Study.net)

Negotiation: Knight/Excalibur (Lewicki: 523)

The Real World: *Negotiating SkyStream's Series C financing.*

DUE immediately before Live Session:

1. Journal entry from Session 1
2. Personal negotiation reflection paper

SESSION 3

Negotiating Rationally: Common Mistakes

Readings: Bazerman & Neale: Chapters 2-8

Negotiation: Job Offer Negotiation (Lewicki: 562-566)

The Real World: *Negotiating with an upset customer... out of disaster and into success*

DUE immediately before Live Session:

1. Journal entry from Session 2
2. **Position Paper 1:**

Strategy: Trusting Collaboration vs. Firm Competition
Case Study: *Midwestern Contemporary Art* (Lewicki: 673-679)

Fischer decides to contact the Smiths and negotiate with them.
Argue either: *Position 1*: Fischer should use a *competitive* strategy in negotiations to secure the Smith's pledge, or *Position 2*: Fischer should use a *collaborative* strategy in negotiations to secure the Smith's pledge (see material 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: 80-96)
Bazerman & Neale: Chapter 11

Negotiation: Moms.com* (Online)

The Real World: *TBD*

DUE immediately before Live Session:

1. Journal entry from Session 3
2. Team selection of final negotiation case and course topic

SESSION 5

Power and Influence in Negotiation

Readings: Where Does Power Come From (Lewicki: 209-217)
Harnessing the Science of Persuasion (Lewicki: 218-226)
The Six Channels of Persuasion (Lewicki: 227-232)
The Fine Art of Making Concessions (Lewicki: 269-272)

Negotiation: Federated Science Fund* (Online)

The Real World: *Negotiating using a “hammer” ...successfully!*

DUE immediately before Live Session:

1. Journal entry from Session 4

SESSION 6

Negotiation Through Third Parties

Readings: Consequences of Principal and Agent (Lewicki: 277-284)
The Tensions Between Principal and Agent (Lewicki: 285-295)
When and How to Use Third-Party Help (Lewicki: 439-456)
Bazerman & Neale: Chapter 15
[Strategies for Setting a Price for Your Home](#) – Alina Dizik,
Wall Street Journal, 2014 (Library, VPN needed)

Negotiation: The New House Negotiation (Lewicki: 545-546)

The Real World: *My first home purchase. Or...*

DUE immediately before Live Session:

1. Journal entry from Session 5
2. **Position Paper 2:**

The role of agents and third parties
Case Study: *Collective Bargaining at Magic Carpet Airlines: A Union Perspective* (A: Lewicki: 653-661. B, C: Study.net)

Defend either *Position 1*: Mediator Crenshaw improved LFA’s bargaining position; or *Position 2*: Mediator Crenshaw hurt LFA’s bargaining position

SESSION 7

Negotiating in Difficult Situations

Readings: Negotiating with Liars (Lewicki: 123-132)
Negotiation Ethics (Lewicki: 133-136)
Three Schools of Bargaining Ethics (Lewicki: 137-142)
Staying in the Game or Changing It: An Analysis of *Moves and Turns* in Negotiation (Lewicki: 239-252)
Negotiating with Emotion (Lewicki: 171-178)

Exercises: Ethics Questionnaire (Handout in class)
Moves and Turns Exercise (Lewicki: 603-604. Handout in class)

The Real World: *Negotiating survival against a trained killer.*

DUE immediately before Live Session:

1. Journal entry from Session 6

SESSION 8

Individual and Cultural Differences in Negotiations

Readings: Culture and Negotiation (Lewicki: 337-353)
[Negotiating with Romans, Part 1](#) - Stephen E. Weiss, Sloan Management Review, Winter 1994, p. 51-61 (Library, needs VPN)
[Negotiating with Romans, Part 2](#) - Stephen E. Weiss, Sloan Management Review, Spring 1995, p. 85-99 (Library, needs VPN)

Negotiation: Alpha-Beta (Lewicki: 597-598 and handout in class)

The Real World: *Bringing down the Shanghai Stock Exchange.*

DUE immediately before Live Session:

1. Journal entry from Session 7
2. **Position Paper 3:**

Cultural Negotiation Styles
Case Study: *Sick Leave* (Lewicki: 689-698)

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

SESSION 9
Course Wrap-up

Film: *Final Offer (to be viewed outside of class)*

Negotiation: “Vacation Plans” (Handout)

The Real World: *TBD*

DUE immediately before Live Session:

1. Journal entry from Session 8
2. Discuss *Final Offer*
3. Final Negotiation Group Project presentations
4. Group Evaluation Form (Available on Canvas)

SESSION 10
Final Group Presentations

The Real World: *Saving SkyStream Networks and Jim’s final thoughts, reflections, advice*

DUE immediately before Live Session:

1. Journal entry – Final Goal Statement
2. Final Negotiation Group Project presentations

FINAL EXAM SESSION
Final Group Presentations

DUE immediately before Live Session:

1. Final Negotiation Group Project presentations

*DRRC/iDecision Games – Online format

Grading and Evaluation

Course and Team Participation.....	20%
Learning Journal	15%
Personal Negotiation Reflection	10%
Position Paper 1	10%
Position Paper 2	10%
Position Paper 3	10%
Final Presentation.....	25%

All assignments are graded out of a possible 100 points, with the exception of the Course and Team Participation grade, the Learning Journals, and the Final Presentation.

1. Course and Team Participation (20% of grade): Attendance, class participation, and participation on the team project, 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 discussions, negotiations, cases, and exercises.

Because the progression of negotiations in this class 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. Missing one class session will result in a loss of 15 points from your course and team participation score. Missing two sessions will result in a loss of 30 points. **If you are absent more than two sessions, you will lose 60 or more points and it will be very difficult for you to receive a B grade. Depending on your other course scores, you could fail the class.** If you anticipate missing more than two class sessions due to other demands on your time, please do not enroll in the course.

The other component of your participation grade will consist of a “team participation score” from your teammates. You will pick your own, or be assigned to a team toward the beginning of the quarter and you and your team will work throughout the quarter on 3 group position papers and a Final Presentation. You are expected to pull your weight and work equally hard as your other teammates each week. Your “team participation score” will be heavily influenced by your teammates upon completion of your final project presentation. You and your teammates will rate the percent participation of each team member. Depending on the presence and severity of collective team member ratings and comments, you could lose a substantial number of points from your course and team participation score.

DUE: Fill out the team percent participation form located on the assignment page and submit before the start of Live Session in week 10.

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 within one week of the negotiation exercise.

Due: Immediately before each Live Session

3. Personal Negotiation Reflection: (10% of final grade): As an individual, write a memo (no more than three pages, **double-spaced, 12-point font – Arial preferred**) describing (1) your most effective and (2) your least effective negotiation. This memo should incorporate your own individual or team experiences with specific theoretical insights from the readings. The memo should use concepts from the readings to explain on what dimensions you feel the negotiation was effective or ineffective (e.g., effective or ineffective outcome based on effective/ineffective interests, issues, position, and/or BATNA of you and/or your opponent). Why was the effective negotiation successful? What could have been done to make the ineffective negotiation more successful?

Due: Immediately before Live Session 2

4. Position Papers 1, 2, 3 (30% of grade): You will be required to write 3 group position papers that are assigned during the course. Groups will be assigned a position to take on each case (see course schedule). Each group will hand in a 3-page written analysis (double-spaced, 12-point font – Arial preferred) of the case at the beginning of class on the day it is due and discuss the strengths of their assigned position (see attachment for details of position paper write-ups). Each group will prepare one overhead slide summarizing their position for the two position papers they write. Group members will use this slide to present and debate their position in class. They will present this slide (very informally) in class. Each paper is worth 10% of the course grade.

Due: Immediately before Live Session 3, Live Session 6, and Live Session 8

5. Final Group Negotiation Project (25% 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 PowerPoint slides and last 15 or 20 minutes (TBD depending on course enrollment). You will submit your presentation to the Assignment page by the due date and time. There will be no written paper accompanying your presentation.

Due: Immediately before Live Session 9 and Live Session 10

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 UC 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/cac.html>. 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 journal entries or position papers.
2. Adhere to all page limits within reason. A little shorter or longer is OK if the paper is solid.
3. Remember to cite appropriately, even when drawing on the readings I've assigned.
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

Digital Device Policy

Smartphones, tablets, and laptops are an integral part of our lives. The classroom is no exception. I expect you to bring them and use them, especially as classroom-related resources. Access to the Internet can be a valuable aid to the classroom-learning environment. It can be a great tool to gain further insights into the lectures, class discussions, and negotiations. And a smartphone is indispensable for being in touch with loved ones in any emergency. So, I do NOT require them to be turned OFF. As I continue to evolve the course, there will likely be sessions where digital devices are required. In short, students are encouraged to use smartphones, tablets, and laptops to explore concepts related to course discussions and topics.

Students are discouraged from using digital devices in ways that distract from the learning community (e.g. Facebook, texting, work for other classes, etc.). If one of you becomes distracted from someone's distracting use of a device, I encourage you to change seats. If more than one of you are distracted from the same individual, I will ask the offending individual to move to a more remote location in the classroom. If many of you are more interested in using your digital devices than listening to or participating in the classroom activities, then I have become an ineffective instructor, and that problem has other solutions.

If you have any questions about this policy, don't hesitate to ask me.

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 single spaced page goal statement is due **at** the first class session. You should discuss your current negotiation strengths and weaknesses (prior to this course) and set concrete goals for the quarter. **This should be posted to the Online Campus prior to the first class session.**

(2) Post Negotiation Analyses: 1 single spaced page 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 single-spaced 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. **The final goal statement is due immediately before the final class, Session 10.** 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 handing in Learning Journal Assignments

We will be using the Online Campus assignment tool for handing in and grading assignments. For the Learning Journals, you will post your assignment each week immediately before the Live Session in the inline format.

The page limit on the journal assignments is 1 single-spaced page in Word, which is the equivalent of about 450 words. It will be easier to read and grade online in a single-spaced format (with a space between paragraphs), so please format your submissions this way.

GROUP POSITION PAPER GUIDELINES

THESE GUIDELINES WILL DIFFER SLIGHTLY DEPENDING ON THE SPECIFIC POSITION PAPER – SEE YOUR SECTION INSTRUCTOR FOR SPECIFIC INSTRUCTIONS

1. Purpose of the Papers:

- 1) To analyze a negotiation case by arguing the specific assigned position.
- 2) To debate the assigned position in a class presentation that will 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 incongruences 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 perfect 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 and include a "Works Cited" page.

(Fictitious) Referencing 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.

Logistics for handing in the group position papers

We will be using the Online Campus for handing in and grading assignments. For the Position Papers, you will post your assignment immediately before the Live Session on the day it is due in the attachment format.

Include the group number and the names of all group members on the first page of each paper.

Due: Immediately before Session 3, Session 6, and Session 8

GROUP PROJECT: ANALYSIS OF A REAL-LIFE NEGOTIATION

Due: Session 9 and Session 10

An integral part of understanding negotiations is to see how they play out in the real world. To this end, your group will do an analysis of a real-life negotiation process. The result of this analysis will be a 15 – 20-minute presentation on the last days of class.

You will do your analysis on a case that has been reported in the media. It can be ongoing or from the past, but should be widely reported, with a lot of archival documents for you to draw on. These can be found through the LexisNexis service available through the library. The source materials that you use for your case analysis should be posted on your final slide as a reference list.

(In some cases, there have been movies about particular negotiations. You are not permitted to use the movie as a source of data for your analysis - use only published archival sources to support your analysis.)

In analyzing your case, you should examine **ONE** of the course concepts in detail. This will allow you to provide an in-depth analysis, rather than broadly covering all of the topics we've discussed in class. Thus, you might choose to analyze the use of power and influence in a particular negotiation, or you might decide to analyze the choice of a collaborative versus a competitive strategy in a negotiation. These are only two examples. There are at least a couple dozen key course concepts you can choose from, not just the two listed above. However, you should not try to cover more than one concept.

I suggest one of two strategies in determining your topic:

1. Find an interesting case with a lot of supporting archival data, and see which topic from the class is best illustrated in the data.
2. Pick a topic and find a case (again, with a lot of archival data) that illustrates the topic.

Some types of publicly reported negotiations that are good options for this assignment:

Political crises (E.g. Cuban missile crisis)

Labor negotiations (UPS, nurses)

Sports negotiations (2012-13 Hockey strike)

Forest saving/endangered species negotiations (Cal had people up in trees for years)

Public corporate negotiations (mergers, crises like Exxon Valdez or Firestone tires)

Inform the Live Session instructor of your choice of case and topic by session 4. The process will be first-come, first-served – if another group has already chosen that case and topic, you will need to find another.

END OF SYLLABUS