COURSE DESCRIPTION

In this course, you should develop a systematic and insightful approach to negotiation. In particular, you should acquire the conceptual skills necessary to become a sophisticated analyst of negotiation situations, you should learn a great deal about yourself from repeated exposure to negotiation situations, you should build confidence in your negotiation skills, and you should gain an understanding of the psychological processes underlying the judgment of negotiators. The bottom-line: you should come out of this course as an analytically and intuitively savvy negotiator.

COURSE MATERIALS

The reading load for the course is substantial. However, the readings serve to consolidate, reinforce, and extend points made in class, often by providing a different perspective than that brought out in class discussions. Please note that assigned “advance readings” reflect the previous week’s material and are meant to reinforce lessons of the week before, not the week ahead. Thus, please do NOT read ahead, as this may ruin some of the exercises for you!

*Each student in this class is required to purchase a course packet AND pay an exercise royalty charge for all class exercises.* Please visit the course Blackboard website for information on where to purchase the course packet and pay the royalty charge. The cost of your packet includes all in-class handouts. To help reduce costs, I will post readings on Blackboard whenever possible. The one-time exercise royalty fee, which must be paid online prior to the 2nd week of class, covers your confidential role instructions for all class exercises and functions much like the royalty fees that theater companies pay to playwrights when staging plays.

Additionally, you are required to purchase the following two books:


Course Website:
http://blackboard.newark.rutgers.edu If you are officially registered for the course, then you should have access to the website based on your Rutgers ID and password. The website will archive announcements (e.g., assignment changes, misc. announcements from class), handouts, and past lecture slides.
CLASS ORGANIZATION & ADMINISTRATION

I. Organization and Content

The course will build cumulatively from (seemingly) simple negotiations to those of greater complexity. Structured negotiation exercises are used to isolate and emphasize specific analytic points and essential skills. Exercises and readings should help you integrate the analysis and develop intuition about related, possibly more personally relevant situations.

The first two sessions will focus on negotiations in which each party attempts to enlarge his or her share of what is taken to be a fixed pie, introducing basic concepts and tactics, with a special emphasis on the cognitive aspects of negotiation.

In the next five classes, we will explore negotiations that contain elements of both cooperation and competition; that is, cases where the parties can “enlarge the pie” by creating joint gains. In doing so, we will identify the potential sources of gains – and why they are often not fully captured. We will also analyze the tension between cooperative moves to create value and competitive moves to claim it. This tension is fundamental to negotiation and affects virtually every tactical and strategic choice.

Finally, following the mid-term, we will study inter-group and multiparty negotiations and how the dynamics of these negotiations differ from two party interpersonal settings. In particular, we will examine the strategic and tactical issues that are essential to any sophisticated building (or destroying) of coalitions. We will also explore the unique dynamics of disputes that arise between groups, and the strategic considerations important for effectively navigating such interactions.

1) 25% Class Participation. First and foremost, participation in this course includes how conscientiously and insightfully you prepare for and carry out the assigned negotiation exercises. This requires that you carefully read your confidential role information and prepare a detailed preparation document. The preparation document is a one-page worksheet to be completed in advance of each negotiation (template to be handed out in class) and will be graded with a check minus, check, or check plus, based on clarity and thoroughness. Please be sure to submit your weekly preparation worksheet at the beginning of each class in which there is an exercise: You must do so, even if you plan to miss the class in question. Also, please bring a second copy for your own use if you would like to refer to it during your in-class negotiation. Preparation documents will count for 40% of your participation grade (or 10% of your overall course grade). There will be 10 in total.

In addition to preparation, class participation includes the quality (not quantity) of your contributions to the learning of your peers, both during class discussion and via post negotiation feedback. In the classroom, comments that analyze your experiences by applying the frameworks we’ve developed in prior classes are valuable. Comments that tie together previous points and move the discussion forward are also appreciated. Class and peer contributions will count for the remainder (60%) of your participation grade.

1 After each negotiation, I’d like you to e-mail the person you negotiated with (or one person from the other side) and provide them with your impression of them as a negotiator, as well as feedback on at least one thing they did well and one thing they might improve upon. While your specific feedback will not be graded, I will check at least twice during the semester to see that others actually received your feedback.
Finally, a third component of participation is attendance. **This class has a strict attendance policy**: You may miss one negotiation exercise without penalty if you provide advance notice (1 week) to both the instructor and the TA (although you will obviously not get credit for participating). If you miss a second exercise, you will lose a letter grade (7 points, to be concrete). If, in conjunction with any miss, you do not provide advance notice, you will also lose a letter grade. This policy *only* applies to class sessions when you are scheduled to negotiate; there is no major penalty for missing a class session when you are not negotiating on that day.

2) **15% Post Negotiation Analysis.** During the first half of the semester, you will be required to complete a post-negotiation analysis. This analysis will allow you to reflect on successful and failed strategies and should help you better prepare for and respond during subsequent negotiations. More generally, it is intended to offer you a template for systematically reflecting upon your negotiation experiences moving forward, thereby facilitating your ability to learn from experience. In it, you will be asked to evaluate your behavior and your classmates’ behavior in a particular negotiation exercise. Your task will be to describe your perceptions and significant insights gained from your participation in this exercise. The paper should not be a detailed report of everything that happened in the negotiation. Indeed, it should only provide the briefest description of what happened (e.g., a few sentences at most), offering a short overview of key events. Rather, the bulk of paper should focus on *analysis and insights*. As such, please be sure you do/address each of the following:

**Overview**

1. Provide a brief overview of the key events. **Analysis**

2. What were the critical factors that affected the negotiation situation and outcomes, and what can you say about these factors in general?

3. How do the concepts and strategies presented in lectures or readings enrich your understanding of the process of this negotiation, its outcome, or your own style? How successful were you in the use of these concepts and strategies? **Synthesis**

4. What did you learn about yourself and others from this experience? What did you learn about negotiation or conflict from this situation? How does this experience compare to others that you or someone you know have had in comparable circumstances?

5. Consider the strategies employed. 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 high quality analysis is one that tries to step back from a negotiation, identifies key events and processes, uses relevant course concepts to help structure the analysis, and is well written. Typically, people focus too much on narrative (i.e., what happened) and not enough on analysis (i.e., why it happened).**

The analysis should be 3-4 double-spaced pages in length (double spaced, 1” margins, 12-point Times New Roman font). You may choose to write about either Texoil, New Recruit, or Moms.com.

My focus in grading will be on:
1. Your ability to integrate relevant information from both readings and class discussions into lessons learned from participating in the negotiation. This is your chance to show me you’ve done the readings (so please cite!).

2. Evidence of insight, analysis and reflective thinking about your negotiation experience.*

*How to assess your own analysis: After reading it, ask yourself, “Would a fellow student who reads this say they’ve picked up something useful to do and/or not do from it that makes them a more effective negotiator?” If so, then you’re on the right track.

3) 20% Mid-term. Approximately halfway through the course, there will be a midterm exam. The exam will cover materials from the readings and from the class discussions covered in the first half of the semester (i.e., Weeks 1-7). Anything discussed in any of the readings or in class (regardless of whether it appears on the class slides) is fair game.

5) 10% Real World Negotiation Experience and Analysis. Although the course will be only partially completed when you do this assignment, you have all been negotiating for years – perhaps without even thinking about the exchanges as negotiations. Likewise, in the past, you have probably overlooked many opportunities for potential negotiations. In order to encourage you to think about the many everyday opportunities you have to negotiate, and to improve your negotiating skills, you will be asked to GO OUT AND NEGOTIATE. (Note: for this assignment, do not analyze a negotiation you were involved in previously, but conduct a new negotiation specifically for this class, armed with the knowledge you’ve gained in the course thus far!)

You can negotiate for anything you would like. For example, your negotiation could involve a good or service from a merchant, a salary or bonus with an employer, a discount from a service provider, or anything else. Creativity will be rewarded in the grading (for example, negotiating with an electronics store or a car dealer by bringing in a competitor’s price for an item is more expected and therefore less impressive than negotiating in a less-expected environment). Also, note that you do not have to buy anything to complete this assignment. On the contrary, you may be on the selling side in the negotiation, or your negotiation may not involve a purchase at all. One word to the wise: make sure that your negotiation has enough richness to it to lend itself to a good analysis. For example, asking your cleaning person for a lower fee, and getting it, is indeed a successful negotiation, but not one that will give you enough to analyze for a good mark on the paper.

There are only two ground rules for this exercise:

• You may not tell the person you are negotiating with that this is for a class project until the negotiation is completed (and then you can decide whether or not you want to reveal this).
• You are not allowed to engage in a negotiation that you do not intend to follow through with if the outcome you desire is obtained.

Upon completing your bargaining, you should write a 2-3 page (double spaced, 12-pt font) analysis of the negotiation and be prepared to discuss your experience in class. The paper should include
a brief review of the events and the outcome that was achieved, identification of your negotiating strategy, and should focus primarily on your analysis of the negotiation process—for example, what tactics worked or didn’t work? What would you do differently next time? Use your post-negotiation analysis as a template. As in that analysis, it is critical that you apply concepts from BOTH course readings and class discussion.

Of course, there is at least some chance that despite your best efforts, your efforts to negotiate will fail. If this occurs, don’t be discouraged – try again. If you have more than three unsuccessful attempts, then simply write about these experiences. You will not be penalized for writing about these negotiations. As we will discuss, we learn just as much from negotiations that fail as from those that succeed.

Your grade for this project will be based on your creativity, your strategy, and the quality of your analysis. (Note again: don’t spend too much time on the description of the situation—the bulk of your essay should be on your analysis of the elements involved and their relationship to the course concepts.)

6) 30% Ongoing Group Negotiation. Finally, in place of a final exam, the last component of your course grade will be based on an ongoing group negotiation in which you will be working with approximately two other classmates, both in and outside of class, on a multi-round negotiation. Your team will be assigned to either the role of union negotiators or company representatives, and will be paired with another team for three rounds of negotiations—the 2nd of which will be negotiated outside of class and will be graded. Your team will work together to develop negotiating strategies and to complete the negotiation. Upon completing this negotiation, you will be asked to produce a final group case analysis related to your experience. To do so, you will need to meet with your counterparts from management or the union to discuss your respective experiences. This case analysis will provide you with an opportunity to integrate concepts that you have learned in class and in the readings over the entire semester and to apply these theoretical ideas to both your own negotiation and to that of the real world case on which it is based. More detailed information on your final case analysis, which will count for 15% of your overall course grade, will be handed out in class.

Your negotiating team for this exercise will be self-selected. Following the first or second class, please organize yourselves into groups of three and submit the names of your group members to me by the beginning of the third class (at the latest).

Before each round of this exercise, you will receive detailed information regarding the upcoming round. After each round, your group will be asked to email me a written summary of the outcome of that round, the last of which will be addressed to your constituents. Also, prior to the first round, your group will be asked to turn in a detailed strategic preparation document, including a scoring system, developed for the negotiation. In doing so, you will be asked to walk through each of the steps detailed in the reading, “The Negotiation Checklist.” More extensive than your weekly

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2 Your group’s outcomes for this second round will constitute 5% of your overall course grade, or 1/6th of your ongoing group negotiation grade. This grade will be based on how well your results for this round compare to those of your peers in the same role. This is the only instance in which your performance in a negotiation exercise will affect your course grade.
preparation documents, this detailed planning document and scoring system will count toward 10% of your course grade.

To ensure that the work for this ongoing negotiation is divided fairly among team members, your teammates will be asked to rate your individual contribution to preparing for and undertaking each of the three rounds of negotiation, as well to the final case analysis. Although all members of your group will initially receive the same overall grade, individual grades will ultimately be adjusted up or down from the group grade based on how your teammates collectively evaluate you. I will attempt to make sure that your teammates’ evaluation of you is performed in as unbiased a manner as possible.

7) Extra credit (1-2 points). You can earn up to two extra credit points in the course. Details will be announced in class.

VI. Ground Rules for the Class

Below are a number of ground rules for the role play exercises, class discussion, and readings that you’ll undertake in this course. These rules are intended to help ensure that the course runs as smoothly and as effectively as possible.

Ground rules for our role play exercises:

1. You are expected to be prepared and on time for all negotiation exercises.
2. You should not show your confidential role instructions to other parties during a negotiation, nor should you read it or quote it. The reason for this is that such behavior has no equivalent in the real world—it would be like showing a counterpart what’s in your mind, which is impossible. At your discretion, you can speak about your interests and alternatives to the other side. However, they will have to take your word for it, not read it in your role.
3. You are encouraged to “ad lib” in these exercises and provide rationales and explanations for your character’s preferences—i.e., say things that you think the character would say. That said, you should not make up facts that materially change the power distribution of the exercise. For example, you should not invent that your family has just bought the other side’s company, or that the EPA is planning a toxic waste dump across the street from a house for sale. If you are asked a question calling for objective factual information that is not in your confidential instructions, you should handle it as you would in reality.
4. In some exercises, your role will tell you that the number of issues or terms under discussion has been fixed. In other exercises, however, things will be left more ambiguous. When this occurs, it is up to you whether or not to introduce other issues into the discussion. However, if you do so, please adhere to the following: While it can be tempting to promise certain resources from one’s organization to “sweeten the deal” for your counterpart, don’t do so, unless role information suggests that these resources exist and that you have discretion over them. As a guide, pay close attention to what the role says about your character’s formal position and relationships in the organization. Do not agree to things in the negotiation that would get the character fired or undermine his or her reputation.
5. The exercises are an opportunity to experiment. Unusual tactics add variety and benefit the group discussion. Needless to say, please steer clear of anything that verges on physical
intimidation, sexual harassment, or personal abuse. We can discuss the use of such behaviors if you’d like, but let’s not take an experiential learning approach.

6. Finally, even when you are negotiating with someone you know and like, do not simply give in to him or her. Such behavior not only produces a poorer result for yourself, but deprives your partner of a legitimate test of his or her skills. As with a tennis match among friends, playing vigorously and intelligently does more for everyone’s game and is much more fun.

*Ground rules for class discussion and readings:*

1. The acoustics and sightlines in our classrooms are excellent. This means that you are audible and visible, so please minimize activities that may be distracting to others in class. Whispered asides to neighbors are usually audible to most of the room, although you may not realize it at the time. Cell phones and pagers should be turned off. Laptops should be closed, except during class breaks.

2. As mentioned earlier, do not read ahead beyond that required in advance of the next session! Sometimes, the solution to an exercise or a case is given away by readings slated for later in the course.

3. Under no circumstances should you borrow notes, discuss cases or exercises, or share class materials with people outside of this section. By doing so, you could inadvertently spoil your class’s or another class’s experience with a case or exercise. Contact the TA if you are missing class materials.

4. Lastly, anecdotes that come up in class or events that occur during class exercises can occasionally be misleading if heard out of context. Consequently, please do your best to ensure that personalized anecdotes or comments and writings that come up in class do not leave the group. This way, we don’t have to be as guarded in our actions and statements, and as a group, we can learn more.

**FINAL GRADE ASSIGNMENT**

**Grading.** Your overall grade for this course will be based on the following 6 components:

• Your class participation – 25%
• Post negotiation analysis – 15%
• A mid-term – 20%
• A real world negotiation experience and analysis of this experience – 10%
• An ongoing group negotiation – 30%

**Late Assignment Policy.** Weekly preparation worksheets, written negotiation analyses and all other course assignments (further details of which are provided below) will be collected at the beginning of class on the due dates listed in the class schedule portion of the syllabus (also below). Any assignment that is late will have points deducted from it. The deduction will be equal to 10% of the total possible points for that assignment for each business day it is late. Anytime after class starts on the due date is considered late. Requests for any exception to this policy must be discussed with Professor Sheldon prior to the due date.
Assignment Format. All assignments must be typed and double spaced, with 1” margins and 12-point, Times New Roman font. Additionally, they must be in hard copy format (e.g., emailed assignments will not be accepted, except in special circumstances with prior approval). For all written assignments, please attach a cover page with your name, the date, the RBS honor code (below), and your signature indicating compliance with this code. The RBS honor code (http://academicintegrity.rutgers.edu/integrity.shtml) is as follows:

“I pledge, on my honor, that I have neither received nor given any unauthorized assistance on this examination (assignment).”
Management (29:620:350)

COURSE SCHEDULE

Week 1: Introduction to Negotiation: Claiming Value

Week 2: Creating Value

Week 3: Creating and Claiming Value

Week 4: Advanced Dyadic Negotiations

Week 5: Agents and Negotiating on Behalf of Others

Week 6: Dispute Resolution

Week 7: Mediation

Week 8: Mid-Term/Technology and Negotiation

Week 9: Observing an Expert

Week 10: Intergroup Negotiation

Week 11: Coalition Dynamics

Week 12: Group Processes

Week 13: Intergroup Negotiation Revisited

Week 14: Analyzing Real World Negotiations/Course Wrap-Up

Week 1 (Jan. 21\textsuperscript{st}): Introduction: Claiming Value

Advance Reading:
Getting To Yes, Parts I & II (pp. 1-94)

Negotiating Rationally, Chapter 12: “Are you an expert?”

Babcock & Laschever, “Nice girls don’t ask” (Optional – on BB)
Week 2 (Jan. 28th): Creating Value

Advance Reading:
Getting To Yes, Part III (pp. 97-143)

Negotiating Rationally, Chapters 1-8

Galinsky, “Should you make the first offer?”

Cialdini, “Harnessing the science of persuasion”

Case: Texoil

DUE: Preparation Worksheet #1 (Texoil). Also, bring your completed “Negotiation Styles Questionnaire” to class.

Week 3 (Feb. 4th): Creating and Claiming Value

Advance Reading:
Negotiating Rationally, Chapters 9-11

Sebenius, “Six habits of merely effective negotiators”

Lax & Sebenius, “Interests: The measure of negotiation”

Malhotra & Bazerman, “Investigative Negotiation”

Case: New Recruit

DUE: Preparation Worksheet #2 (New Recruit). Also, turn in your list of group members for the ongoing negotiation prior to class.

Week 4 (Feb. 11th): Advanced Dyadic Negotiations
Advance Reading:
Galinsky, Maddux, & Ku, “The view from the other side of the table”

Medvec & Galinsky, “Putting more on the table”

Thompson, “Negotiating a job offer” (Optional – on BB)

Case: Moms.com

DUE: Preparation Worksheet #3 (Moms.com)

Week 5 (Feb. 18th): Agents and Negotiating on Behalf of Others

Advance Reading:
Bazerman & Gillespie, “Betting on the future: The virtues of contingent contracts”

Raiffa, “Post-Settlement Settlements”

Case: Bullard Houses (Pick up materials for Outside Offer, to be completed outside of class by email prior to Week 7. Preparation worksheet required.)

DUE: Preparation Worksheet #4 (Bullard). Also, turn in your Post Negotiation Analysis prior to class.

Week 6 (Feb. 25th): Dispute Resolution

Advance Reading:
Negotiating Rationally, Chapters 13 and 15
Rubin & Sander, “When should we use agents? Direct versus representative negotiation”

Schell, “When is it legal to lie in negotiations?”

Case: Viking

DUE: Preparation Worksheet #5 (Viking)
Week 7 (Mar. 4th): Third Parties and Mediation

Advance reading
Ury, Brett, & Goldberg, “Three approaches to resolving disputes”

Galinsky & Liljenquist, “Putting on the pressure: How to make threats in negotiations”

Liljenquist & Galinsky, “How to diffuse threats at the bargaining table” (Optional – on BB)

Case: Telepro

DUE: Preparation Worksheet #7 (Telepro). Also, turn in Preparation Worksheet #6 (Outside Offer) and printed copy of transcript for Outside Offer, along with a typed bullet point summary of your deal (or lack thereof).

Week 8 (Mar. 11th): Midterm

Advance Reading:
Lewicki, Hiam, & Olander, “How and when to use third-party help”

Goldberg, “The secrets of successful mediators”

Case: None (Pick up materials for ABC Round 1)

DUE: Nothing

Week 9 (Mar. 25th): Observing an Expert

Advance Reading:
McGinn & Wilson, “How to negotiate successfully online”

Holland & Heckscher, “The 1984 General Motors-UAW Negotiations” (Optional – on BB)

Video Case: Final Offer

DUE: Real word negotiation analysis assignment. Be prepared to discuss in class.
Week 10 (April 1st): Intergroup Negotiation

Advance Reading:
Simons & Trip, “The Negotiation Checklist” (Reference on strategic planning – on BB)

Raiffa, “AMPO vs. City” (Optional—Reference on scoring systems - on BB)

Raiffa, “Tradeoffs and Concessions” (Optional—Reference on scoring systems - on BB)

Case: ABC Round 1

DUE: Group strategic preparation document and scoring system for ABC Round 1.

Week 11 (April 8th): Coalition Dynamics

Advance Reading:
None

Case: Federated Science Fund

DUE: Preparation Worksheet #8 (FSF). Also, please negotiate ABC Round 2 prior to class and turn in your outcome at the outset of class. No PW needed for ABC Round 2.

Week 12 (April 15th): Group Processes

Advance Reading:
Dixit & Nalebuff, “Credible commitments” from Thinking Strategically: The Competitive Edge in Business, Politics and Everyday Life

Susskind, “Winning and blocking coalitions”

Lax & Sebenius, “3-D negotiation: Playing the whole game” (Optional – on BB)

Case: Harborco

DUE: Preparation Worksheet #9 (Harborco)
Week 13 (April 22nd): Intergroup Negotiation Revisited

Advance Reading:
*Negotiating Rationally*, Chapters 14, 17, 18

Brett, “Negotiating group decisions”

Case: ABC Round 3

DUE: 1 page updated group strategic planning document for ABC Round 3 (will serve as Preparation Worksheet #10)

Week 14 (April 29th): Analyzing Real World Negotiations/Course Wrap-Up

Advance Reading:
None

Video Case: American Dream

DUE: Nothing (Time will be given towards end of class to meet with your ongoing negotiation group to discuss your final group case analysis)

FINAL GROUP CASE ANALYSIS FOR ONGOING NEGOTIATION DUE ON OR BEFORE Monday, May 5th AT 4:30 PM

Negotiation Exercises

During the course, you will take part in a series of negotiation exercises. For each exercise, you will be assigned a particular role, and will be given background materials, instructions, and confidential information in advance to aid you in your preparation (*so never leave class without first picking up role materials for the following week!*). Additionally, you will be paired with one or more negotiating partners. Typically, you will spend the first part of each class negotiating these exercises, although you will be asked to undertake two exercises outside of class over the course of the semester. The second part of each class will be spent on debriefing and analysis. While this second portion of the class is essential, the in-class negotiations are probably the single most important vehicle for learning in the course. Debriefings will tend to focus on how different strategic choices and interpersonal skills drive relative
success at the bargaining table. However, it is within the exercises that theory and new techniques can really be put to the test. While the exercises do not involve real money or actual issues, past students have relished the opportunity to test their personal effectiveness and to try new techniques that they’ve learned in the course. Because everyone will be negotiating the same exercise, which will then be extensively discussed, you will get a chance to get feedback that is seldom available when you negotiate, i.e., how well you did relative to others in the same situation.

At the end of each exercise, we will record everyone’s results so that you can compare the outcome that you negotiated with the results obtained by other people in your same role. With one exception (to be discussed below), these results will not be factored into your course grade:

They are meant only to give you a sense of your effectiveness in a variety of negotiation settings. You will find that you are more skillful in some situations than in others.

Although negotiating the “best” or the “worst” outcome in the class will not affect your grade in the course, your faithful and creative preparation and participation are nevertheless essential, as is the quality of the insights that you draw from the negotiating experience. Failure to prepare for and carry out an exercise will not only adversely affect your own learning, but will deny a valuable learning experience to fellow students with whom you’re paired. Thus, your actual presence and advance preparation is a primary requisite of this course.

*Note regarding in-class research:* So that we here at Rutgers may continue to provide you and those who come after you with cutting-edge, empirically grounded insights about negotiation, some classroom exercises may double as research investigations. This fits the philosophy of the class: the frameworks that we will discuss and techniques that I will describe have been tested empirically in former classes like yours. I will provide detailed explanations of any study in which you participate. Also, bear in mind that you always have the choice to have your outcomes and/or documents removed from the sample.