MNO3313H Topics in M& O: Negotiations & Bargaining

**Course Instructor**: Dr Jayanth Narayanan

**Session**: Semester 2, 2009/2010

**Course 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 the opportunity to develop their skills by participating in negotiations and integrating their experiences with the principles presented in the assigned readings and course discussions.

This course is designed to foster learning through doing, and to explore your own talents, skills, and shortcomings as a negotiator. The negotiation exercises will provide you with an opportunity to attempt strategies and tactics in a low-risk environment, to learn about yourself and how you respond in specific negotiation situations. If you discover a tendency that you think needs correction, this is the place to try something new. The course is sequenced so that cumulative knowledge can be applied and practiced.

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

- Experience the negotiation process, learning how to evaluate the costs and benefits of alternative actions.
- Improve your ability to analyze a negotiation situation and learn how to develop a strategic plan to improve your ability to negotiate effectively.
- Develop confidence in the negotiation process as an effective means for resolving conflict in organizations.
- Understand more about the nature of negotiations and gain a broad intellectual understanding of the central concepts in negotiation.
- Improve your analytical abilities and your capacity to understand and predict the behavior of individuals, groups, and organizations in competitive situations.
- Develop a toolkit of useful and practical negotiation skills, strategies, and approaches.
Course Format

There will be a negotiation exercise in almost every class. Classes will also include lectures and class discussions. Although the class officially meets at scheduled course times, students will be expected to meet with other students outside of class to prepare for certain negotiation exercises.

Course Materials

Handouts: Negotiation exercise materials will be handed out in class.

Course Requirements and Grading

I hope that your focus in this class will be on learning rather than on the grade you will receive. If you learn a lot, you can pretty much count on your grade coming along as well. That said, your grade will be made up of:

1. Attendance and participation in class discussions 15%
2. Negotiation Journals 20%
3. Inter-group Negotiation exercise 40%
4. Real world Negotiation Journal 25%
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| Class 1| Introduction                 | **Psychological concepts:** Heuristics & Biases |                          | Bazerman: *Heuristics & Biases* 
Murnighan: *The Gas Station Game*                                                      |
| Class 2| Simple, Two-Party Negotiations | *Ultimatum game* 
*Gas Station Game* | Prepare role for *Coast News* | Murnighan: *The ultimatum game* 
Thompson: *Preparation: What to do before negotiation* 
Raiffa: *Analytical models and empirical results* 
Lewicki, Saunders, & Minton: *Strategy and tactics of distributive bargaining* |
| Class 3| Multiple Issue, Two-Party Negotiations | Negotiate *Coast News* 
Debrief *Coast News* | Prepare role for *Moms.com* 
Prepare role for *Moms.com* and team negotiations | Lax & Sebenius: *Interests: The measure of negotiation* 
Raiffa: *Post-settlement settlements* 
Lax & Sebenius: *The negotiator’s dilemma: creating and claiming value (optional/reference)* |
| Class 4| Beyond “Win-Win” Team Negotiations | Negotiate *Moms.com* 
Debrief *Moms.com* and team negotiations | Begin preparing your role for *New Town Dispute* in your groups | Lewicki, Saunders, & Minton: *Strategy and tactics of integrative negotiation* 
Lax & Sebenius: *Creating value or where do joint gains really come from? (optional/reference)* |
| Class 5| Real World: Inter-group Negotiations | Negotiating your Job 
Negotiate *ABC/Locall – Round 1* (Video Taped) |                          | Hammond, Keeney, Raiffa: *Even swaps: A rational method for making trade-offs* |
| Class 6| Inter-group Negotiations     | Negotiate *ABC/Locall – Round 2 & Round 3* (Video Taped) |                          |                                                     |
| Class 7| Negotiation Feedback         | Feedback to groups – set 1 
Film: *The American Dream – set 2* |                          |                                                     |
| Class 8| Negotiation Feedback         | Feedback to groups – set 2 
Film: *The American Dream – set 1* | Prepare role for *Bullard Houses* |                                                     |
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| Class 9  | Agents and Ethics in Negotiations | Negotiate *Bullard*  
Debrief *Bullard* |                                                                        |             | Lewicki, Saunders, & Minton: *Ethics in negotiations*             |
|        |                                    |                   |                                                                                     |             | Rubin & Sander: *When should we use agents? Direct vs. representative negotiation*  |
|        |                                    |                   |                                                                                     |             | Shell: *When is it legal to lie in negotiations? (optional/reference)*              |
| Class 10 | Building trust and using influence | Film: *12 Angry Men*  
Trust game | Prepare role for *Viking*                                                                 | Cialdini: *The science of persuasion*                                                  |
|        |                                    |                   |                                                                                     |             | Kosfelf et al.: Oxytocin increases trust in humans                        |
| Class 11 | Dispute Resolution                | Negotiate *Viking*  
Debrief *Viking* |                                                                        |             | Ury, Brett, & Goldberg: *Three approaches to resolving disputes*               |
|        |                                    |                   |                                                                                     |             | Lewicki, Saunders, & Minton: *Managing difficult negotiations: Individual approaches* |
| Class 12 | Multiple Issue, Multi-Party Negotiations | Prepare role for *Harborco*  
Negotiate *Harborco*  
Debrief *Harborco* |                                                                        |             | Brett: *Negotiating group decisions*                                          |
|        |                                    |                   |                                                                                     |             | Vanover: *Get things done through coalitions*                                   |