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


Additional course readings available through Study.net.
Course Schedule and Student Preparation

SESSION 1 (Monday, June 17)
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: 513)  
NOTE: For negotiation exercises, this page number refers to the background of the exercise in the text. Please read it before class!

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.

SESSION 2 (Wednesday, June 19)
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: 492)

The Real World:  
Negotiating SkyStream’s Series C financing.

DUE in class:  
1. Goal statement of learning journal  
2. Journal entry from Session 1
SESSION 3 (Monday, June 24)
Negotiating Rationally: Common Mistakes

Readings: Bazerman & Neale: Chapters 2-8

Negotiation: Job Offer Negotiation (Lewicki: 514-518)

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

DUE in class: 1. Journal entry for Session 2
2. Position Paper 1 (Teams are required to do 2 of the 3 assigned position papers):
   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 material from Session 1 for review of these strategies).

SESSION 4 (Wednesday, June 26)
Negotiating Rationally: Integrative Bargaining

Readings: The Negotiation Checklist (Lewicki: 34-47)
Implementing a Collaborative Strategy (Lewicki: 80-96)
Bazerman & Neale: Chapter 11

Negotiation: Ridgecrest School Dispute (Lewicki: 521-527)

The Real World: TBD

DUE in class: 1. Journal entry for Session 3
SESSION 5 (Monday, July 1)
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: Federated Science Fund (Handout)

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

DUE in class: 1. Journal entry for Session 4

SESSION 6 (Friday, July 3)
Negotiation Through Third Parties

Readings: Consequences of Principal and Agent (Lewicki: 248-255)
When and How to Use Third-Party Help (Lewicki: 417-434)
The Tensions Between Principal and Agent (Lewicki: 256-266)
Bazerman & Neale: Chapter 15

Negotiation: The New House Negotiation (Lewicki: 542-543)

The Real World: My first home purchase.

DUE in class: 1. Journal entry for Session 5
2. Position Paper 2 (Teams are required to do 2 of the 3 assigned position papers):

The role of agents and third parties
Case Study: Negotiating on Thin Ice (Lewicki: 610-628)

Defend either Position 1: Goodenow improved NHL player’s bargaining position or Position 2: Goodenow hurt their bargaining position in the negotiation.
SESSION 7 (Monday, July 8)
Negotiating in Difficult Situations

Readings: Negotiation Ethics (Lewicki: 193-197)
Three Schools of Bargaining Ethics (Lewicki: 198-203)
Negotiating with Liars (Lewicki: 183-192)
Staying in the Game or Changing It: An Analysis of Moves and Turns in Negotiation (Lewicki: 211-224)

Exercises: Ethics Questionnaire (Handout in class)
Moves and Turns Exercise (Lewicki: 529-530. Handout in class)

The Real World: Negotiating survival against a trained killer.

DUE in class: 1. Journal entry for Session 6

SESSION 8 (Wednesday, July 10)
Individual and Cultural Differences in Negotiations

Readings: Culture and Negotiation (Lewicki: 321-338)

Negotiation: Mouse (Handout in class)

The Real World: Bringing down the Shanghai Stock Exchange.

DUE in class: 1. Journal entry for Session 7
2. Position Paper 3 (Teams are required to do 2 of the 3 assigned position papers):

Cultural Negotiation Styles
Case Study: Sick Leave (Lewicki: 666-676)

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 (Monday, July 15)
Course Wrap-up

Film: *Final Offer*

*The Real World:* *TBD*

DUE in class: 1. Journal entry for Session 8  
2. Five Final Negotiation Group Project presentations  
3. Group Evaluation Form (Handout in class)

SESSION 10 (Wednesday, July 17)
Final Group Presentations

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

DUE in class: 1. Journal entry – Final Goal Statement  
2. Seven Final Negotiation Group Project presentations
Grading and Evaluation

Course and Team Participation…….. 25%
Learning Journal…………………... 15%
Position Papers………………….. 30%
Final Presentation…………….. 30%

1. Course and Team Participation (25% 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. If you are absent more than two times, you will fail the class. If you anticipate missing more than two classes 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 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 determined by your teammates upon completion of your final project presentation.

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.

3. Position Papers (30% of grade): You will be required to write 2 group position papers out of the 3 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 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 2 position papers they write. They will present this slide (very informally) in class. Each paper is worth 15% 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 20 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/cac.html](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
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 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. This should be posted on SmartSite by the second 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 at 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 SmartSite’s assignment tool for handing in and grading assignments. For the Learning Journals, you will post your assignment each week before class 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. (I recommend saving these assignments in Word and then just copying and pasting them into the form.)
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 that may 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. Based on our readings about interests, rights and power in resolving disputes, 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 referred to mine regulations. 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. 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 SmartSite’s assignment tool for handing in and grading assignments. For the Position Papers, you will post your assignment before class time on the day it is due in the attachment format.

Also, to avoid group grading confusion, please appoint just one person in your group to be the official “poster” of the paper and hand in all three assignments. Include the group number and the names of all group members on the assignment.
GROUP PROJECT: ANALYSIS OF A REAL LIFE NEGOTIATION

Due: July 17

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 20-minute presentation on the last day 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. 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 me of your choice of case and topic by session 5. The process will be first-come, first-served – if another group has already chosen that case and topic, you will need to find another.