COURSE INFORMATION

Negotiation is the art and science of securing agreements between parties who are interdependent and who are seeking to maximize their outcomes. The central issues of this course deal with understanding the behavior of negotiators in the context of competitive situations.

Course Objectives

The purpose of this course is to introduce the theory and processes of negotiation as it is practiced in a variety of settings. The course is designed to be relevant to the broad spectrum of negotiation problems that are faced by managers and professionals. Thus, the content is relevant to students interested in marketing, real estate, consulting, entrepreneurship, or mergers and acquisitions. In addition, the course will emphasize negotiations that occur in the daily life of the manager.

This course is designed to complement the technical and diagnostic skills learned in other courses at Notre Dame. A basic premise of the course is that while a manager needs analytic skills to discover optimal solutions to problems, a broad array of negotiation skills is needed to get these solutions accepted and implemented. The course will allow participants the opportunity to develop these skills experientially and to understand negotiation in useful analytical frameworks. Considerable emphasis will be placed on simulations, role playing, and cases. The following is a partial list of course objectives:

- To think about and understand the nature of negotiation. This objective is paramount because many of the important phenomena in negotiation, for example, interests, goals, and cooperation, are ambiguous and often do not have "right" answers. I cannot teach a set of formulae. But I can teach you a useful framework through which you can analyze whatever negotiating situations you encounter.
• To gain a broad intellectual understanding of the central concepts in negotiation. These concepts will be building blocks from which you can systematically understand and evaluate a negotiation process.

• To develop confidence in the negotiation process as an effective means for resolving conflict in organizations.

• To improve your ability to analyze the behavior and motives of negotiators in settings that have both competitive and cooperative elements.

• To provide experience in the negotiation process, including learning to evaluate the costs and benefits of alternative actions and how to manage the negotiating process.

Course Requirements

1. Participation (20% of your grade)

The class is comprised of lectures, discussion, exercises and negotiation simulations. You are expected to participate in class discussions and all negotiation simulations exercises as they are a central component of the course. Failure to participate in more than one simulation will automatically result in a reduction of one letter grade. Participation also includes full preparation for exercises. Lack of preparation for an exercise will be treated as an absence for that exercise. If you will be absent or unprepared, I should be notified 24 hours in advance; failure to notify me will double this penalty. If you know you will be consistently absent from class, please choose another elective.

Participation includes being able to relate assigned reading materials to class experiences. Each exercise will be debriefed with the class and thus participating in this debriefing session will comprise a large part of your participation grade. Debriefing includes sharing information about results, sharing information about negotiating strategies attempted and reactions to the process, and relating assigned reading materials to the class discussion. Most students will have difficulty applying one or more of the negotiation concepts. We learn from our mistakes and the mistakes of others. This course is a good opportunity to experiment with new ways of negotiating and make mistakes in a low-risk environment.

Class participation is a very important part of the learning process in this course. You will be evaluated on the quality of your contributions and insights. Quality comments possess one or more of the following properties:

- offer a different or unique, but relevant, perspective
- contribute to moving the discussion and analysis forward
- build on or challenge comments from other students
- apply concepts in the readings to negotiation experiences

While your participation grade is subjective, it will not be random or arbitrary.

2. Feedback (15% of your grade)

A valuable portion of this class is the ability to receive feedback about your skills from your opponent. To facilitate this process, you will analyze your opponents’ behavior in four specific negotiation exercises: Texoil, New Recruit, Federated Sciences, and S.H.A.R.C. These feedback sheets will be examined by me and then distributed to the appropriate parties. The feedback you provide will be incorporated into your participation grade and will be assessed on the extent to which it is thorough and offers useful suggestions for improvement.

Feedback Set #1 (Texoil & New Recruit) due in Class 6
Feedback Set #2 (Federated Sciences & S.H.A.R.C.) due in Class 13

3. In-Class Negotiation Analyses (15% of your grade)

During the course, you will be provided with opportunities to demonstrate your knowledge of material covered during class, in the handouts and in your readings. You might be asked to analyze a negotiation or a reading via short-answer questions. These questions will be designed so that you can demonstrate your understanding of key negotiation concepts and theory and your ability to apply these concepts and theory to the negotiation process.

4. Ongoing Group Negotiation (15% of your grade)

You will be working in a group with other classmates on a multi-round negotiation that will be completed both in and outside of class. Your group will be assigned either the role of union negotiators or company representatives, and will be paired with another group for three rounds of negotiations. Your group will work together to develop negotiating strategies and complete negotiations.

Your group will be assessed at various stages of the negotiations. For example, prior to the first round of the negotiation, groups will be asked to turn in a scoring sheet indicating their priorities and preferences. After each negotiation, groups will also be asked to turn in the outcomes of the negotiation. For round two, each group’s negotiated outcome will be transformed into Z-scores (a standard, normal distribution) and assigned grades based on these scores. For round 3, you will assess your performance in the negotiation as part of your case analysis. Before each of the three negotiations, you will receive detailed information regarding the negotiation and grading criteria.
5. Case Analysis (35% of your grade)

In this class, there will be no in-class final examination. Instead, a final case analysis will be used to gauge your understanding of the negotiation principles learned during the class. The case analysis will provide you with an opportunity to integrate the concepts you have learned from the readings, simulations and lectures, and to apply these theoretical ideas to a “real world” negotiation. The negotiation that will be analyzed was selected because it is quite interesting and provides ample opportunity to integrate material from the course. Information regarding the final case analysis will be distributed during Class 11 and it will be due October 5th.

Case Analysis Due: October 5th

Required Readings


Articles: Available via electronic reserves

Honor Code

There is a course honor code which is detailed below:

a) You are expected to be prepared and on time for all exercises.
b) You are to read only the role information to which you are assigned. It is not appropriate to borrow or discuss cases with people outside of class.
c) You may not show your confidential role instructions to the other parties, though you are free to tell the other side whatever you would like about your confidential information.
d) Do not make up facts or information that materially change the power distribution of the exercise - for example, that your family has just bought the company you are currently negotiating with for a job.
e) You may use any strategy except that of physical violence to reach your desired outcome.
f) You may not share details of the cases, exams, quizzes, and class discussions with students outside of the class.
## COURSE SCHEDULE

### Class 1: INTRODUCTION TO NEGOTIATION
- **(Aug. 21)**
- **Class:** Course Overview
  - Decision-Making
  - Introductions

### Class 2: DISTRIBUTIVE NEGOTIATIONS
- **(Aug. 23)**
- **Class:** Introduction to Negotiations
  - Negotiate and debrief Synertech-Dosagen
- **Discussion:** Distributive Negotiations

### Class 3: POSITIONAL vs. INTEREST-BASED BARGAINING
- **(Aug. 28)**
- **Due:** Ongoing Negotiation: Team Composition
- **Read for class:** Fisher, Ury, & Patton; pp. 1-94
- **Class:** Negotiate and debrief Texoil
- **Discussion:** Positions vs. Interests

### Class 4: DISTRIBUTIVE vs. INTEGRATIVE BARGAINING
- **(Aug. 30)**
- **Read for class:**
  - MB\(^1\): Chapter 1, 2
  - ER\(^2\): Should You Make the First Offer?
  - ER: First You Have to Ask
  - ER: The Pros and Cons of Getting to Yes
  - ER: The Negotiator's Dilemma
- **Class:** Negotiate and debrief Job Recruit
- **Discussion:** Integrative vs. Distributive Bargaining
  - Cooperation vs. Competition

### Class 5: DISTRIBUTIVE vs. INTEGRATIVE BARGAINING (con’t.)
- **(Sept. 4)**
- **Due:** Ongoing Negotiation: Scoring Sheet
- **Read for class:**
  - MB: Chapters 3,4
  - ER: Power of Nice
- **Class:** Debrief Job Recruit
- **Discussion:** Integrative vs. Distributive Bargaining
  - Integrative Techniques
  - Prospect Theory

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1MB: Malhotra & Bazerman
2 ER: Electronic Reserve Articles
Class 6:  INTERESTS, RIGHTS AND POWER  
(Sep. 6)

Due: Feedback Set #1

Read for class:
- Federated Sciences Case
- ER: Three Approaches to Resolving…
- ER: Negotiating Power
- ER: Are You Too Powerful…
- MB: Chapter 5

Class: Negotiate and debrief Federated Sciences

Discussion: Interests, rights and power

Class 7  
(Sep. 11)

INTERESTS, RIGHTS AND POWER (con’t)

Read for class:
- ER: Excerpt from Getting Past No
- ER: How to Talk to a Dictator
- MB: Chapters 11, 12

Class: Debrief Federated Sciences

Discussion: Interests, rights and power

Class 8:  NEGOTIATION APPLICATION  
(Sep. 13)

Due: Ongoing Negotiation - Round 1 Results

Read for class:
- ER: Morning Programs Bare Teeth
- ER: Break through the Tough Talk
- ER: Emotional Strategy

Class: Ongoing Negotiation: Round 2

Class 9:  SOCIAL DILEMMAS  
(Sep. 18)

Due: Ongoing Negotiation - Round 3 Issues

Read for class: S.H.A.R.C. Case

Class: Negotiate S.H.A.R.C.
Class 10: SOCIAL DILEMMAS (con’t.)
(Sep. 20)
Due: Ongoing Negotiation - Round 3 Scoring
Read for class: ER: MouseTrap
ER: Social Dilemmas
Class: Debrief S.H.A.R.C.
Discussion: Social Dilemmas
Egocentrism
Obtaining Cooperation
Multi-party Negotiations

Class 11: NEGOTIATION ASSESSMENT
(Sep. 25)
Due: Ongoing Negotiation - Round 3 Results
Class: Case Analysis

Class 12: ETHICAL ISSUES IN NEGOTIATION
(TBD)
Due: Bullard Houses Results*
Read for class: ER: When You Shouldn’t Go it Alone
MB: Chapters 9, 10
ER: E-mails and Egos
ER: When You’re Tempted to Deceive
Class: Debrief Bullard Houses
Discussion: Technology and Negotiation Effectiveness
Agents & Negotiations
Ethical Issues in Negotiations

* All sections will be scheduled to meet for an “all section” class to debrief Bullard Houses the week of September 24th (TBD). Please email agreement forms for Bullard Houses (atenbrun@nd.edu) by Saturday (9/22) at 5:00 pm. Agreement forms should include name of buyer/seller, terms of the agreement, and a transcript of the negotiation process.

Class 13: COURSE WRAP-UP
(Oct. 2)
Due: Feedback Set #2
Class: Cross-Cultural Negotiations
Planning and Preparation
Course Wrap-up

October 5 Due: Please deliver a hard copy of the case analysis to my mailbox