Leading Successful Negotiations

Spring, 2022

### EMBA PROGRAM: Mohammed Bin Salman College of Business & Entrepreneurship (MBSC) KAEC, Saudi Arabia

Course Name: Leading Successful Negotiations

Course Number: MBA 521

Credits: 2 credits

Contact Hours : Sixteen 95 minute classes; 25 hours total

**INSTRUCTOR**

Instructor Name: Joel M. Evans

Office Location: C02

Office Hours: Thursday, 1-4 PM

Telephone: 6104

E-mail address: jevans@mbsc.edu.sa

****

### COURSE DESCRIPTION

We negotiate every day with potential employers, coworkers, roommates, landlords, parents, bosses, merchants, service providers, etc. Determining what price we will pay, the amount of our salary and compensation, what movie to watch, who will clean the kitchen… all of these are negotiations. Although negotiations are a ubiquitous part of our everyday lives, many of us know little about the strategy and psychology of effective negotiations. Why do we sometimes get our way, while other times we walk away feeling frustrated by our inability to achieve the agreement we desire?

Negotiation is the art and science of securing agreements between two or more dependent parties. The purpose of this course is to understand the theory and processes of negotiation as they are practiced in a variety of settings. The course is designed to be relevant to a broad spectrum of negotiation problems that are faced by the manager and the professional. A basic premise of this course is that while a manager needs analytical skills to develop optimal solutions to problems, a broad array of negotiation skills is needed for these solutions to be accepted and implemented. Successful completion of this course will enable you to recognize, understand, and analyze essential concepts in negotiations.

### LEARNING OUTCOMES

**Upon successful completion of this course, students will be able to:**

**Knowledge**

1. Recognize the basic rules of negotiation strategy.

**Cognitive Skills**

1. Analyze the various, relevant parameters of a bargaining situation, and prepare an appropriate strategy.

**Interpersonal Skills and Responsibility**

1. Appraise the position, power, and strategy of a negotiation counterpart; and interpret the interests of the counterpart based on offers and counteroffers.

**Communication, Information Technology, Numerical**

1. Demonstrate the ability to conduct successful negotiations in multiple different contexts

**REQUIRED COURSE MATERIALS**

Course Pack: The course pack will be provided. Negotiation cases are included in the cost of the course pack, but will be handed out in class.

Videos and simulations:

1. “American Dream”, 1992. Kopple & Kohn (Producers), Channel 4 Production.

**RECOMMENDED COURSE MATERIALS**

Optional readings: Fisher, R., Ury, W., & Patton, B. 1991. *Getting to Yes*. New York: Penguin

**STUDENT TEAMS**

Student teams will be formed separately for each team activity, and all teams will be assigned by the instructor.

**PEDAGOGIES USED**

|  |  |
| --- | --- |
| Type | % of Course workload |
| Experiential Learning Activities | 75%  |
| Case Work (including reporting/presentations) | 0% |
| Lectures (including interaction) | 20% |
| Other (debates, discussion, quizzes, audiovisuals…) | 5% |

**BREAKDOWN OF EXPERIENTIAL LEARNING ACTIVITIES**

|  |  |
| --- | --- |
| Type | % of Course work load |
| Simulations | 0%  |
| Role-play | 55% |
| Outdoor activities | 0% |
| Reporting and reflection | 20% |
| Other | 0% |

**CREDIT BREAKDOWN**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Classroom With Instructor  | Team Hours | Working in Business | Other | Total  |
| Contact Hours  | 5 | 18.75 | 0 | 1.25 | 25 |
| Credit | .20 | .75 | 0 | .05 | # |

**REGIONAL FOCUS**

Where possible, all attempts will be made to provide this course with a regionally-relevant focus. This will be attained via open class discussions and feedback, as well as regionally-relevant negotiation simulations, when possible.

**GRADING**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Grade range | Letter Grade | Points | Description | Min % of students in category (# of students officially registered in class, rounded up) | Max % of students in letter grade  | Max % of students in category |
| 95% to 100% | A+[[1]](#footnote-1) | 4 | Excellent | 0% | 5% | 20% of As (max)  |
| 90% to <95% | A | 3.75 | Excellent | 0% | 15% |
| 85% to <90% | B+ | 3.5 | Very Good | 30% | 50% | 80% of Bs (max)  |
| 80% to <85% | B | 3 | Very Good | 20% | 40% |
| 75% to <80% | C+ | 2.5 | Good | 0% | 20% | 20% of Cs (max)  |
| 70% to <75% | C | 2 | Good | 0% | 10% |
| <70% | F | 0 | Fail |  *No minimum, no maximum – as needed, if needed.* |  |  |
| - | W | - | Withdrawal[[2]](#footnote-2) |   |   |   |
|  | I | - | Incomplete[[3]](#footnote-3) |  |  |  |
| - | WF | 0 | Withdrawal, Fail[[4]](#footnote-4) |   |   |   |

\*Disclaimer: Professors are expected to adhere to curve but may deviate to reflect cohort performance.

**GRADING COMPONENTS**

|  |  |
| --- | --- |
| Activity | % of Grade |
| Attendance | **32%** |
| Course Participation  | **8%**  |
| Planning Documents | **10%** |
| Ongoing Group Negotiation | **10%** |
| Real World Negotiation Experience | **15%** |
| Final Exam | **25%** |
| Total | **100%** |

**Course Objectives**

The course will highlight the components of an effective negotiation and teach you to analyze your own behavior in negotiations. The course will be largely experiential, providing you with the opportunity to develop your skills by participating in negotiations and integrating your 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, shortcomings, and strengths as a negotiator. The negotiation exercises will provide you with an opportunity to attempt strategies and tactics in a low-risk environment. 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 the 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 set of useful negotiation skills, strategies, and approaches.

**Course Format**

* Negotiation Exercises: The course is built around a series of negotiation exercises. We will be negotiating in every class. While the class officially meets at scheduled course times, students will be expected to meet with other students outside of class to prepare for and execute certain negotiation exercises. Students should also be prepared to stay a few minutes after class to arrange meetings with other members of the class.

* Preparation for Negotiations: Your classmates expect you to be fully prepared for each negotiation exercise. Prior to each negotiation, you are required to submit a planning document. Also, note that some exercises require students to prepare outside of class as a team, either by phone, email, or in person.
* Negotiation Debrief: We will debrief every negotiation in class. You are expected to participate in these class discussions. Your agreements will be posted so that the class can analyze the relationship between different negotiation strategies and outcomes and learn from everyone’s experience.
* Learning: You are encouraged to experiment with alternative styles in this “safe” environment. This is where you can “lose” a million dollars and in retrospect be happy because you will never forget that lesson! Recognize your strengths and weaknesses and track your individual progress over the quarter.
* Readings: It is important to do the session’s readings AFTER class. The concepts will be more comprehensible if you have already experienced them directly and foreknowledge of the concepts could prevent mistakes that are the critical part of the learning process.

**Assignments and Methods of Assessment**

**Attendance (32%) and Participation in Class Discussions (8%)**
Because negotiation exercises are critical to the learning process in this course, you should be fully prepared for every negotiation. Thus, you should plan for every exercise; this requires that you come to every class with a written planning document that will help guide you through the negotiation. You should try your hardest to get the best possible outcome for yourself or group. You are not graded on the outcomes of your negotiations (except for Round 2 of the on-going negotiation exercise), but rather on the quality of your preparation prior to the negotiation and your participation in post-negotiation discussions.

Your participation in class discussion will be evaluated on the quality of your contributions and insights. After each negotiation exercise, a debriefing session will include sharing information about results, sharing information about strategies attempted, and sharing reactions to the process. Quality comments possess one or more of the following properties:

* + Offer a different and unique, but relevant, perspective based upon analysis and theory (not intuition or casual observation).
	+ Contribute to moving the discussion and analysis forward.
	+ Build upon the comments of your classmates.
	+ Link relevant concepts to current events.

The attendance portion of this grade includes being present, showing up on time, and being prepared for any negotiation simulations. The participation portion of this grade includes staying in class and not leaving for extra breaks, business calls, etc.

**Planning Documents (10%)**
To help you prepare fully for the role you will play in each negotiation, you are required to submit a negotiation planning document prior to each negotiation exercise. These documents are worth 20% of your grade. You or your team (if you are negotiating in a team) should bring 2 copies of your planning document to each exercise so that you can give one copy to me and use the other as a reference during your negotiation. Together, the planning documents will help you structure your negotiation experience. The planning documents will enable you to fully understand the nature of the particular negotiation exercise and plan strategies that will maximize your outcomes.

Before every negotiation (both in class and in the real world) you should construct a planning document. The purpose of the planning document is threefold:

* + It will help you prepare systematically for negotiations.
	+ Some weeks you will have a partner on your own side of the table with whom you will develop and implement your negotiation strategy. Having completed a planning document will expedite your strategy session with your partner.
	+ It will help you transfer the negotiation skills you learn in class to negotiations you will do outside of class.

Preparation is a vital part of the negotiation process. Time spent in preparation should focus on assessing your interests and goals and those of your opponent. The more complete the information you have about yourself and your opponent, the more control you can assume over your own actions and reactions during the negotiation process. When you don’t have information, especially about your opponent, GUESS. One way of beginning the negotiation process is to ask questions to try to fill in gaps in the information you have, or to test the assumptions you made in your guesses.

The Planning Document Forms at the end of this syllabus are provided as examples. The first is a list form that asks for information about both yourself and your opponent. The second and third are in a chart form and allow at-a-glance comparisons of the parties’ information. Feel free to choose the format that is most comfortable for you or to modify the existing forms in any way that helps you to prepare for your negotiations. As the course progresses and new concepts are added, you may wish to change the format of your planning document. Just make sure that you do not leave out any of the basic concepts in doing so.

**On-going Group Negotiation (10%)**

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

Before each of the two negotiations, you will receive detailed information regarding the negotiation. After each negotiation, your group should turn in the outcomes of the negotiation. In addition, after the first round your group will be asked to turn in the scoring system you developed for the negotiation. (We’ll talk more about scoring systems in class.)

Scoring System (5%): The scoring system you design for the first round of the ABC case will constitute 5% of your grade. Your scoring systems will be graded based on your understanding and application of an additive scoring system and your integration of issues in the case. The due date for your scoring system will be announced in class.

Round 2 Outcome for On-going Negotiation (5%): For the second round, each group’s outcomes will count for 5% of your grade. This grade will be based on how well your results compare to those of your peers in the same role. This on-going negotiation is the only instance in which your performance in a negotiation exercise will affect your grade. The due date for your scoring system will be announced in class.

**Real-World Negotiation Analysis (15%)**

Although our course on negotiations has just begun, 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. To encourage you to think about the many everyday opportunities you have to negotiate, and to improve your negotiation skills, you are being asked to go out and negotiate!

You can negotiate for anything you would like. Be creative. 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. Also, note that you do not have to buy anything to complete this assignment (e.g., negotiating with a child over bedtime). Similarly, your negotiations do not need to be a success – often, we learn as much from negotiations that fail as from those that succeed.

After you have completed negotiating, you should write an analysis of the negotiation that includes 1) a planning document, 2) a scoring system (if applicable), and 3) a post-negotiation analysis. This paper should be approximately 2-3 pages typed (no longer than 3 double-spaced pages, Times New Roman 12-point font). As with any post-negotiation analysis, the key is to focus on an analysis rather than a description of the negotiation. Your grade for this project will be based on your creativity and your analysis of the preparation, process, and outcome of the negotiation. This paper will be due at the beginning of class in the fourth week.

There are two additional rules for this assignment:

You may not tell the person with whom you are negotiating that this is for a class project, until the negotiation is complete (and then you can decide whether you want to tell them).

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.

**Final Exam (25%)**
The final exam will cover the concepts discussed in class and in the readings, with an emphasis on in-class discussions. The exam will ask you to apply the course concepts, which means you need to know not only the definitions of various concepts, but the pros and cons of using various concepts strategically. Remember that you cannot stop a negotiation in the middle of its flow to go check your notes or a book – you must have access to this knowledge on the fly. This will be a closed book test. The final exam will be administered during finals week.

**Grading**
See the Course Requirements and Evaluation above. Also, for each day an assignment is turned in late, the grade for the assignment will be reduced by one letter grade. For instance if an ‘A’ paper was turned in 2 days late, it would receive a ‘C.’

# ACADEMIC HONESTY & INTEGRITY

MBSC holds high standards regarding academic integrity, as detailed in the Student Handbook and included policies. This particularly implies that all work submitted in each course must be the product of your own original effort, unless exceptions are specifically granted. By consequence you must provide proper citations when you incorporate the works, words, or ideas of others, even in case these others are fellow students. If you are concerned about plagiarism, have questions about legitimate forms of collaboration, or are unclear about appropriate methods of citation, consult the instructor or the librarian for guidelines. Academic integrity also relates to attendance record keeping. You are at all times expected to register your own attendance, and only your own attendance, and to do so according to actual attendance. Violations of academic integrity typically result in sanctions that can range from disciplinary warning, to probation or suspension, to – in the event of severe or repeated violations – dismissal from the College.

# STANDARDS OF BEHAVIOR

The campus and classroom cultures promote a safe and effective learning environment, nurturing the entrepreneurial leadership development of each of the members of MBSC’s diverse student population. We value honesty, integrity, mutual respect, diversity, team-work, and co-creation. We believe that mastering entrepreneurial leadership requires fully engaged collaboration between professors and students and among students, and set our standards of behavior accordingly.

An important behavioral standard is therefore that every students comes to every class, prepared and in time, unless in exceptional circumstances which are communicated to the professor (and possibly Program Management) in advance. Moreover, in class every student actively co-creates, contributes, participates, for the full duration of the class. Active participation can for instance take the form of posing questions, answering questions, constructive contributions to the discourse, and engaged listening. Such is not not possible when arriving late, leaving class and returning, or leaving early. Hence these behaviors are in violation of the standards of behavior and the Attendance Policy (see also below).

Electronic devices are only used in direct support of appropriate and active class participation (e.g. taking notes or consulting the case text). All other forms of use of electronic devices are in violation of the standards of behavior.

Collaboration is an essential entrepreneurial leadership skill. Hence, teamwork is common in most courses. Moreover, we encourage students to interact outside of the classroom and sessions, e.g. to complete assignments. It should be noted however that such collaboration should always be within the guidelines and regulations of academic integrity. It should never lead to plagiarism or be in violation of intellectual property rights.

# ATTENDANCE POLICY

Rules for class participation, classroom conduct, on time arrival and attendance are detailed in the MBSC Attendance Policy for students and will be enforced as such. In short: every student should arrive on time for every class, be present, participate actively throughout, and until class finishes. These behaviors are valued highly and are essential to the effective experiential learning of yourself and your fellow students. Experiential learning is key to developing your entrepreneurial leadership.

**COURSE SCHEDULE**

|  |
| --- |
| Leading Successful Negotiations |
| **Class** | **Date** | **Topic** | **Assignments Due Today (at the start of class)** | **In Class Activity** | **After Class - Reading** |
| **1 & 2** | 3 Mar | Introduction to Course / Distributive Negotiations | Smile—you’re in Negotiations class! | Negotiate: ***Ma’aden Aluminum*** | * Thompson: *Preparation: What to do Before a Negotiation (pp 9-14)*
* Galinsky: *Should You Make the First Offer*
* Thompson: *Distributive Negotiation: Slicing the Pie*
* **Prepare role for *New Recruit***
 |
| **3** | 3 Mar | Integrative Negotiations | Turn in planning document for *New Recruit* | Negotiate: ***New Recruit*** | * Raiffa*: The Art and Science of Negotiation* *AMPO versus city* and *Tradeoff and Concessions (pgs 131-165)*
* **Prepare role for *Noraebang***
 |
| **4** | 3 Mar | Integrative Negotiations | Turn in planning document for *Noraebang* | Negotiate: ***Noraebang*** | * Lax & Sebenius: *Interests: The measure of negotiation*
* **Prepare role for *ABC/Local 190 Round 1***
 |
| **5** | 17 Mar | Multi-round Negotiations | Planning document *and* scoring system for *ABC/Local 190 Round 1* | Negotiate: ***ABC/Local 190 Round 1*** | * Galinsky & Medvec*: Putting more on the Table: How Making Multiple equivalent offers can increase the final value of the deal*
* **Prepare role for *Lee Family Estate***
 |
| **6** | 17 Mar | Agents and Ethics in Negotiations | Turn in planning document for *Lee Family Estate* | Negotiate: ***Lee Family Estate*** | * Rubin & Sander: *When should we use agents? Direct vs. representative negotiation*
* **Prepare role for *ABC/Local 190 Round 2***
 |
| **7** | 17 Mar | Multi-round Negotiations | End of class: Turn in outcome for *ABC/Local 190 Round 2* | Negotiate: ***ABC/Local 190 Round 2*** | * Lax & Sebenius: *Three ethical issues in negotiations*
* **Prepare role for *ABC/Local 190 Round 3***
 |
| **8** | 17 Mar | Multi-round Negotiations | End of class: Turn in outcome for *ABC/Local 190 Round 3* | Negotiate: ***ABC/Local 190 Round 3*** | * Bazerman & Gillespie: *Betting on the future: The virtues of contingent contracts*
* **Prepare role for *Viking***
 |
| **9** | 31 Mar | **Movie: *American Dream*** |
| **10** | 31 Mar | Conflict Management and Dispute Resolution  | Turn in planning document for *Viking* | Negotiate:***Viking*** | * Lytle, Brett, & Shapiro: *The strategic use of interests, rights, and power to resolve disputes* (skim p. 34-40)
* **Prepare role for *MytiPet***
 |
| **11** | 31 Mar | Disputes, Third Parties, and Mediation | Turn in planning document for *MytiPet* | Negotiate: ***MytiPet***Movie: *Prosando* | * Ury, Brett, & Goldberg: *Three approaches to resolving disputes*
* **Prepare role for *Paradise***
 |
| **12** | 31 Mar | Disputes, Third Parties, and Mediation | Turn in planning document for *Paradise* | Negotiate: ***Paradise*** | * Bazerman, Russ, & Yakura: *Post-settlement settlements in two-party negotiations*
* **Prepare role for *Harborco***
 |
| **13** | 12 May | Multiparty Negotiations | Turn in planning document for *Harborco* | Negotiate: ***Harborco*** | * Thompson: *Multiple Parties, Coalitions, and Teams*
* Vanover: *Get things done through coalitions*
* **Prepare role for *Healing***
 |
| **14** | 12 May | Conflict management | Planning document for *Healing* | Negotiate: ***Healing*** | * Downie, B.M (1991). *When Negotiations Fail: Causes of breakdown and Tactics for Breaking the Stalemate*.
 |
| **15** | 12 May | **Wrap-Up and Review** |
| **16** | 12 May | **Final Exam** |

1. A+ indicates mastery of the subject matter of the course and is used only in cases where the performance of the student is assessed as extraordinary. [↑](#footnote-ref-1)
2. Credits not counted, not used in GPA calculation [↑](#footnote-ref-2)
3. Credits not counted, not used in GPA calculation [↑](#footnote-ref-3)
4. Assigned to students who are absent for 25% or more of class time and/or withdrawal without permission [↑](#footnote-ref-4)