

Negotiation: BUS 489-01

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Course Description

Theory and practice of negotiation in a variety of professional and managerial contexts (e.g., labor relations, business acquisitions, compensation, business disputes) and in one-on-one, group, and team-based arrangements. Includes impact of culture, ethics, dispute resolution, coalitions and use of creativity to develop integrative solutions. 4 Units

Prerequisite: BUS 387

Course Overview

We negotiate daily with potential employers, co-workers, bosses, landlords, merchants, service providers, partners, parents, children, friends, roommates, and many others. Our negotiation skills affect what price we will pay, the amount of our salary and compensation, what movie we watch, and who will clean up the kitchen. Why do we sometimes get our way, while at other times walk away frustrated by our inability to achieve the agreement and resolution we want?

Negotiation is the art and science of securing agreements and resolving disputes 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. It is designed to be relevant to a broad spectrum of problems faced by managers. 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.

The learning method is experiential. You will prepare for and engage in a variety of negotiation exercises (individually, and as a team). The objective is to explore your talents, skills, shortcomings, and strengths as a negotiator in a safe setting, to learn about yourself and how you respond in specific situations. If you discover a tendency that you think needs to be changed, this is the place to try something new. The course is sequenced so that cumulative knowledge can be applied and practiced. The skill set you develop here will serve you in both your personal and professional life.

Course Objectives

- (1) Become a more *knowledgeable negotiator*. Develop a toolbox of effective negotiation principles and tactics derived from rigorous theory and research.
- (2) Become a more *effective negotiator*. Learn how to apply this toolbox of principles and tactics in practice to improve your negotiation skills, processes, and outcomes.
- (3) Become a more *reflective negotiator*. Adopt the habit of continually evaluating, and seeking to enhance, your knowledge and effectiveness.

Textbook and Readings

Required Textbook: Lewicki, Saunders, Barry, *Negotiation: Readings, Exercises and Cases*, 6th edition, McGraw-Hill Irwin, ISBN: 978-0-07-353031-4

Optional Textbook: Lewicki, Saunders, Barry, *Essentials of Negotiation*, 5th edition, McGraw-Hill Irwin, ISBN 978-0-07-353036-9

Additional readings will be scheduled with some posted on PolyLearn class site. You are expected to read each **prior** to our discussing it in class. Be prepared to **ask** and **answer** questions about the assigned readings on the scheduled date. We will **NOT** discuss in class all of the readings that you will be responsible for knowing and applying.

Course Philosophy

Attendance: Given the experiential nature of the course and pedagogy, prepared attendance is **mandatory**. You may miss one negotiation exercise without penalty if you provide me with advance notice of a **verifiable** university-sanctioned reason for missing class and, if I request, make arrangements for a substitute. If you miss a second exercise, you will lose a letter grade. If, in conjunction with any miss, you do not provide advance notice or fail to provide a substitute when requested to do so, you will lose a letter grade in the class. A third absence will automatically lead to a failed grade.

Confidentiality: Any information you receive for a negotiating exercise is confidential. Never assume that role materials are identical, even if a classmate is playing the same role. Unless you are explicitly told that you can share information and strategize together, your information is **strictly confidential**. During a negotiation, you may verbally disclose to other negotiators any information in your confidential role instructions, if you wish, but do not physically show your confidential information to **any** other negotiator, even a teammate, until the assignment is completed. You may show them any document that you create on your own. In addition, please do not discuss cases with, or borrow notes from, people outside of class. Class discussion stays in class. Please do not share any information about negotiation simulations with students who have not taken this class. It is an honor code violation to post anything about the negotiation simulations on a website, or to conduct searches (e.g. Google) about cases.

Case Information and Lies: The information that you need in order to negotiate is provided in the case materials. Lying during negotiations is unethical / illegal and unacceptable in this course. Please do not make up facts that improve your bargaining position. During a negotiation exercise, if you are asked a question calling for information that is not contained in your confidential instructions (the answer to which would substantially influence the structure of the case), the appropriate answer is, "I don't know." Any unacceptable behavior will negatively impact your grade in this class. Cal Poly does not condone academic dishonesty, cheating, or plagiarism in any form.

Don't Spoil the Outcome for Others: When you have completed a simulation, please do NOT reveal your information to the other party, or with members of another team, before returning to the classroom. The simulations do not always end when you sign an agreement in a break-out room. After the negotiation debrief (class discussion) you may share your confidential information, but you are not obliged to do so.

Subjective Nature of Learning: You enter this class with a unique set of skills that are based on your past experience and your personal style. You will reflect on your negotiation behavior and recognize idiosyncratic patterns of behavior. You will distinguish between circumstances where patterns of behavior are advantageous versus situations where you are better off reframing the situation and choosing an alternative approach. Think about what motivates your behavior — that which is comfortable and/or intuitive is not always optimal. Identify your personal strengths and weaknesses and track your progress.

Learn by Doing: This is a hands-on course which provides a rare and valuable opportunity to experiment with alternative negotiation styles in a safer, more feedback-rich environment than subsequent negotiations outside of class. Re-assess and revise your analysis of strengths and weaknesses, as well as goals, based on your progress in the negotiation simulations. At the end of the course, you will once again set goals and define action items for your continued development in "real world" negotiations.

The Art is based on Science: There are many roads that lead to Pareto-efficient agreements. Learn to become a flexible negotiator. Incorporate new information as you negotiate and adjust your strategy accordingly. Recognize and adjust to the tactics that the other party uses. Learn to distinguish which approaches are appropriate for different situations and have multiple strategies at your disposal. Feel comfortable and confident negotiating. This course will provide you with an introduction to the science of negotiating; understanding, integrating, and implementing it will be a lifelong process.

Special Needs: If you have a disability for which you are or may be requesting an accommodation, you are encouraged to contact both me and the Disability Resource Center (DRC), Building 124, Room 119, 805.756.1395 or email drc@calpoly.edu as early as possible in the quarter.

Student Privacy (FERPA): If you have chosen to protect your Directory Information (which includes name and email), it is important you communicate this to your instructor prior to or on the first day of class. This course uses PolyLearn tools that will display student' full names and email addresses.

Class Culture: This is a business course and professionalism is required. This class also encourages creative thinking and collaboration. I encourage intellectual curiosity, expression, generosity, civility and respect. Classes will consist of a mixture of lecture, open discussion, case analysis, videos, mock negotiations, and learning activities.

Professionalism includes but is not limited to – silencing / turning off any electronics, computers /tablets and cell phones are not allowed to be used during class. All papers are typed and edited outside of class and handed in at the beginning of class when due. Use PolyLearn and email professionally as a business communication tool..

Full participation in this course is not only required as part of your grade, it is also essential to the success of the course for everyone. Everyone is expected to arrive on time, prepared and be engaged and stay until the end of class. This means actively listening, sharing your own ideas and questions, respecting others diverse perspectives, participating in small group or full-class exercises and activities, and focusing on the lectures, assignments, negotiations or visiting speakers. If you have a question, concern, or idea related to a subject in the class, I expect you to raise it.

My Commitments for the Course: I am committed to making this course a valuable learning experience. The class will be both challenging and rewarding, and I expect for most of you this will not be an easy class. I welcome your feedback regarding the class throughout the quarter. Please feel free to ask questions at any time, however large or small. It is easiest to reach me by email or during office hours, but I am always happy to set up an appointment with you.

Assignments & Grading

All written assignments will be graded on a 0-5 scale, where 5=excellent, 4=good, 3=satisfactory, 2=unsatisfactory, 1=poor, and 0=missing/not accepted. **Note that 5s will be rare.** They are reserved for truly top-notch, exemplary work and assignments.

(1) Learning Journals (40%)

Learning Journals consist of 5 components: 1 initial goal statement, 3 negotiation analyses, and 1 final goal statement. See the guidelines below for a more detailed description of what the journal requires and the dates of the assignments.

(2) Reflection Paper/Real World Negotiation (25%)

For the reflection paper, you will carry out and analyze a real-world negotiation. For this negotiation you should negotiate something of personal value to you. You should report on your plan, your strategy, and the negotiation results. You can negotiate for almost anything (with my approval) — a good or service from a merchant, a salary from an employer, etc. This paper shall not exceed 5 pages. It will combine elements of a planning document (including prep, objectives, climate, conducting, etc.) strategy, tactics, results and the post negotiation analyses.

(3) Class Participation (25%)

Participation in class discussion is expected and 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: 1) Offer a different and unique, but relevant, perspective based upon analysis and theory (not intuition or casual observation); 2) Contribute to moving the discussion and analysis forward; 3) Build upon the comments of your classmates; 4) Include evidence or logic; and 5) Link relevant concepts to current events.

(4) Peer Assessment / Reputation Index (10%)

After each negotiation exercise, you will rate your classmates as part of your post negotiation review. Ratings are along three dimensions: 1) overall preparation and commitment to the exercises, 2) 1 or 2 strengths AND weaknesses of your opponent and team, and 3) skill in negotiations where future relationship matters (how much you want to work with them in the future). You keep these notes and near the end of the quarter you will be asked to rate each person in class.

(5) Extra Credit

You can earn up to two extra credit percentage points in the course by bringing in articles on negotiations in the popular press or examples of interesting negotiations from movies, television shows, comic strips, etc. In order to receive both the bonus points, the references need to come from different mediums at different times. If one is from a movie (fictional), the other has to come from a comic strip or newspaper article (non-fictional). A newspaper article, a radio report, a web article or television coverage of an actual event are all considered to come from the same medium. The references must illustrate a concept from the course, and you must provide a write up (~1 page) describing it and how it relates to the concepts discussed in class and then lead the class discussion with a one minute overview with why it is relevant.

Learning Journal Guidelines

The learning journal is a written record of your personal reflections about the knowledge and skills that you are gaining during the course. You will need to write up journal entries reflecting on and analyzing 3 of your negotiations during the course. These negotiation analyses will allow you to reflect on successful and failed strategies and should enable 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, comforts, and discomforts. Note that the best journal entries spend more time exploring what you can do to improve and less time blaming others for various faults, defects, and failures. I have provided a template for these entries on PolyLearn in the "Course Materials" folder. Use this template for these analyses and post them under the assignments area. For these journal entries, you should record key tools and concepts, as well as insights gained from the class discussion. In addition to the 3 negotiation analyses, you will need to write initial and final goal statements for the class. The table below shows the assignment schedule.

These journal entries should show a serious, explicit attempt to grapple with personal experiences in classroom exercises and accurately reference course concepts, discussions, readings, and lectures as they apply. Exemplary journals will regularly weave in personal insights, real-world examples, and negotiation concepts and tie them together in a compelling way. At the margin, the grades will depend on overall effort, including personal frankness and reflection. Authenticity and a serious attempt to learn and grow as a negotiator are major objectives! Minimum expectations regarding each assignment are detailed below:

(1) Initial Goal Statement: 1-3 (1.5 to double-spaced) pages in which you discuss your current negotiation strengths and weakness (prior to this course) and set concrete objectives for the semester.

(2) Negotiation Analyses: 2-3 (1.5 to double-spaced) pages in which you reflect on your behavior and your classmates' behaviors in the negotiation exercises. These should not be a detailed report of everything that happened in the negotiation; rather, they should focus on key moments and insights. You must write up a negotiation analysis **for 3 negotiation exercises – one from each set (see the table below) – and upload them by the due dates specified.** Your analyses should answer the following questions:

(a) *Facts:* Provide a brief overview of key events. For example, how was time allocated? Who made the opening offer, and how did counter-offers proceed? 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) *Insights:* What did you learn about yourself from this experience? What did you learn from the behavior of others in this experience?

(d) *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?

(e) *Mistakes:* What did you do that you wish you hadn't done? Why?

(f) *Goals:* What would you do the same or differently in the future? How will you need 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 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).

(3) Final Goal Statement: Up to 3 (1.5 to double-spaced) pages in which you review the most important lessons that you learned in this course, your key strengths and weaknesses as a negotiator, and how you hope to improve moving forward. Reviewing your class notes, negotiation exercises, and your initial goal statement before writing this paper helps. Excellent papers provide a clear explanation of how your goals, skills, strategies, and style evolved over the course.

Guidelines for the Reflection Paper on Real-World Negotiations

To encourage you to think about the many everyday situations in which you can negotiate, and to challenge you to improve your negotiating skills, I am asking you to go out and negotiate in the real world. You can negotiate for almost anything you like (with my prior approval) – a hotel discount, a landlord tenant or tenant-tenant dispute, a big purchase (i.e., a car), or for a raise. In my experience, this assignment is especially enjoyable and educational if you try to “negotiate a non-negotiable” or choose a setting where negotiation is not the norm. Here are the rules:

- (1) Do not reveal the assignment:** You are not allowed to resort to a plea similar to “Please help me out, this is for a class...” You may not tell the person you are negotiating with that this is for a class project until the negotiation is completed. Then, you can decide whether to disclose this information.
- (2) No purchase necessary:** You do not have to buy anything to complete this assignment. You may choose to be the seller or enter a negotiation that does not involve financial terms or a purchase. Do not fake a purchase.
- (3) Interest in negotiating:** You must be willing (at some price, under some conditions) to acquire the item for which you are negotiating. Do not start a negotiation in which you would never want to come to agreement or is just “using” the other party.
- (4) New negotiation approval:** You must conduct your negotiation during the course of this class, not write about a prior negotiation. You must provide your instructor with a short outline of the negotiation or bargaining you intend and **get approval** for this paper.
- (5) Boundaries:** You cannot use negotiation tactics that may be considered unethical, illegal, or potentially harmful to yourself or others. Using someone or some company for this assignment without the intention of negotiating in good faith (potentially completing / agreeing) is unethical and therefore unacceptable for this assignment and class.
- (6) Failure is an option:** You do not need to succeed in the negotiation in order to write about it. The purpose of this exercise is to facilitate your learning by preparing, executing and reviewing the results. Often, we learn as much or more from negotiations that fail as from those that succeed. However, if you do fail, please seek feedback from your counterpart on how you could have negotiated more effectively, and write about what you learned from the feedback. Also, if you don’t succeed, I would encourage you to try again. Your paper should contain a description of exactly what happened and what the outcome of the negotiation was. Of course, exemplary papers will do more than simply recount the details of the negotiation. They will also discuss preparation and strategy, and will critically analyze what happened and why. You should try to include all of the relevant strategic elements of the negotiation (e.g., issues, interests, priorities, BATNAs, aspirations, outside parties, constraints, etc.) in your paper.

Your grade for this paper will be based on the following criteria:

- 1) Depth of analysis:** Have you correctly employed key concepts to assess the strategic landscape of the negotiation? How well have you applied your learning from the course to your analysis of this case?
- 2) Introspection:** Have you linked your experiences with your goals for the course and your strengths and weaknesses? What have you learned about your negotiating style and skills from this negotiation experience? What would you do differently in the future?
- 3) Creativity:** How unique was the context? How inventive was your strategy? How did you meet expected and unexpected challenges?

4) **Quality of the story:** Have you included all the relevant details? Is it interesting? Is it well- written? Is it error free?

The paper should be no more than 5 pages in length (1.5 to double spaced, 10-12 point Times New Roman font, 1” margins).

Learning Journal & Other Assignments	Due
Initial Goal Statement	Class #4 – Thurs. January 16th
Negotiation Analysis #1: choose one from the following list <ul style="list-style-type: none"> • Used Car • New Recruit • Toyonda 	Class #8 – Thurs. January 30th
Negotiation Analysis #2: choose one from the following list <ul style="list-style-type: none"> • Knight Engines/Excalibur Engine Parts • Pakistani Prunes • Live8 • Alpha Beta 	Class #13 - Thurs. February 20th
Negotiation Analysis #3: Choose one from the following list <ul style="list-style-type: none"> • A Team in Trouble • Coalition Bargaining • 3rd Party Conflict Resolution • Ridgecrest School Dispute • Sick leave • Galactica SUV 	Class # 17 Thurs. March 6th
1) Reflection Paper: Real-World Negotiation 2) Peer Evaluations / Reputation Index	Class # 19, March 13 th
Final Goal Statement	Class # 20, March 18 th (uploaded by 5:00 pm)