



11.011 THE ART AND SCIENCE OF NEGOTIATION

Spring 2015
Tuesdays and Thursdays, 2:30 p.m. – 4:00 p.m.
Room TBD

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Introduction and goals

Negotiation is a regular feature of our professional and personal lives. Engineers and scientists must negotiate for scarce company resources. Entrepreneurs negotiate business deals, including high-stakes venture capital agreements. Politicians negotiate amendments to bills. New employees negotiate their salaries and benefits. Urban planners negotiate variances with developers. Homebuyers negotiate price and purchase terms. Friends and lovers negotiate what movie to see or where to go for dinner. In short, no matter what we do or who we are, we regularly find ourselves in situations in which we cannot simply impose our will on others, nor feel that we should simply acquiesce to their preferences. These situations are typically resolved via negotiation.

Given how often we negotiate and important the outcomes are, it is surprising that we think so little about the tactics we employ and how they can be improved. Of course, there is a great deal of folk wisdom on how to negotiate better, and no shortage of self-help books. Some of the advice found in these books and stories can indeed help, and at times this course will draw upon them. However, we need to be critical as we consider different approaches to negotiation, figure out what works for us in different situations, and hone our practices. The course is designed to be practical – the expectation is that you will not only *learn about*, but also *experiment with* different approaches to negotiation. We expect you to finish the semester with greater confidence, an improved and expanded negotiation toolkit, and a more reflective approach.

We believe that negotiation is *both an art and a science*. It is a *science* in so far as outcomes can often be more or less optimal when evaluated against external measures of utility, and statistical analysis has been applied to comparatively evaluate different tactics. The course will introduce decision analysis and various ways to maximize overall utility in negotiations. It is an *art* because negotiations involve real people with emotions, imperfect information and different senses of what is fair and right. The fact that even simple negotiations can have multiple possible outcomes is evidence of this – there is rarely a single *correct* answer. The course will

introduce various tactics for negotiating with other people in the real world, with all the complexity that entails.

Fortunately, negotiation is *rarely zero-sum*. Wise negotiators find ways to generate more value while also caring about how it is distributed. More pie can mean a bigger piece for everyone. Advancing our own interests often requires sustained cooperation with others. People rarely cooperate under coercion or because of a great argument, but rather because they are getting something out of the deal too. Therefore, the key to getting what you want lies in learning about others' interests – what they care about and why – so that you can solve their problem in a way that addresses your own interests. This is “the art of letting them have your way.”

We will begin the course by looking at situations that are more or less zero-sum in nature, examining how negotiators can effectively maximize their own outcomes through strategic bargaining. We will ask: *Why do negotiators get one outcome rather than another? What tactics do they employ to maximize their gains?* We will then move on to situations in which negotiations offer opportunities to create value and ask: *How can we alter what's on the table? How can we be creative in negotiations?* In this section we will consider how negotiators create opportunities for mutual gain and reach better outcomes than would otherwise be possible. Finally, we turn to the question of how negotiations can be structured to maximize the outcomes, asking: *How can we (re)shape the rules of the game?* Here we explore how negotiators shape expectations and roles, build understanding (or misunderstanding), and construct relationships in which trust and cooperation are possible. We will conclude the term by examining the ways in which generating information through adding parties, negotiating in multiple forums, employing the services of a neutral facilitator or managing meeting atmospherics affect the outcome of negotiations. In general, we will move from negotiations that involve less complexity (i.e. fewer issues, fewer parties and fewer factual disagreements) to those that are more complex. By the end of the course, we hope that you will appreciate the layered complexity that is involved in what will at first appear to be simple negotiations.

By exploring these questions, we hope to **help you become a more effective negotiator**. Specifically, the course should teach you how to diagnose situations that have room for both conflict and cooperation, prepare you to negotiate purposefully and effectively, and evaluate the outcomes you achieve. You will have the opportunity to experiment with alternative tactics and strategies through a series of negotiation role-play simulation exercises (i.e., ‘serious games’). These exercises form the core of the course; in them you will learn by listening carefully, reflecting critically, and contributing to the group discussions that follow.

Assignments and Evaluation

Evaluation will be based on contributions to and full **participation** in all of the (typically weekly) exercises, as well as in-class discussion (30%); preparation of one **exercise analysis video** (20%) **three problem sets** (30%); and a final assignment, which will involve **creating your own role-play simulation exercise** (20%).

Participation (30%): This is a largely discussion-based, not lecture-based, course. The expectation is that students will complete all readings before class, and **come prepared to actively discuss the materials**. We will also take **attendance** in class. There will be a series of **role-play simulation exercises** throughout the semester. Every student is expected to come to class familiar with the assigned *general instructions* (when applicable) and ready to participate. **** Participation in all of the simulations is strictly required **** and so is preparation. You will significantly undermine not only your own, but also your counterpart's

learning if you are not prepared. Students are also expected to participate in the exercise **debrief discussions** both within and beyond the classroom (i.e., online).

Exercise analysis video (20%): You will be asked to record one of the semester's exercises and edit it down to a 5 minute (max) 'highlight reel'. Your video should reinforce the **key themes** for that segment of the course, and highlight **key moments or actions** in the negotiation you recorded. You should use subtitles, headlines or voice-overs to explain your clip and why it should matter to the viewers. You are free to record with your own smartphone or camera, or ask us in advance about borrowing equipment. You are also expected to **watch and provide brief feedback on your classmates' videos**. A quarter of your grade (5%) will be based on your own video, and the other 10% will be based on your evaluations of others. Please see the instructions on Stellar for more information on this assignment.

Problem Sets (30%): Three problem sets will be assigned over the course of the semester. Typically, your responses will be 2-3 pages (single-spaced) in length, concisely examining the respective themes and responding to the questions posed. Problem sets will be graded as follows: A cursory effort that shows only a minimal attempt to address the questions or the assigned material will receive a check-minus (i.e. a grade of C/B-); an acceptable effort will get a check (i.e. a grade of B/A-); and a superior level of effort will get a check-plus (i.e. a grade of A/A+). Further instructions will be provided with each assignment.

Original role-play simulation exercise (20%): You will participate in a series of role-play simulation exercises over the course of the semester. This pedagogical tool is useful for vividly introducing new concepts and experimenting with new tools and approaches. For the final assignment of the semester, you will create your own exercise with a partner. This exercise may focus on the negotiation theme or skill of your choosing, but we will coordinate so that we have some variety across the class. The expectation is that you will design a role-play that addresses an issue or question in a way that is novel. It has to be new, interesting and important. We will play these exercises at the end of the semester, and part of the grade assigned will be from peer evaluation (i.e., how the players evaluate it as a pedagogical tool). Further instructions on this assignment will be provided later in the semester.

Readings and Other Course Material

These are available through Amazon.com and other retailers, and are on reserve at Rotch Library:

Douglas Stone, Bruce Patton, and Sheila Heen, *Difficult Conversations: How to Discuss What Matters Most*. New York: Penguin Books, 2010.

Michael Wheeler, *The Art of Negotiation: How to Improvise Agreement in a Chaotic World*. New York: Simon & Schuster, 2013.

All other readings will be available on the Stellar website, along with class announcements, and updates to this syllabus. **Students should check the site regularly and rely on it to prepare for each class and assignment.**

Recommended Resources. These other texts, while not required, are strong references for those who want more in-depth material on many of the course topics. We will be using excerpts of most of these in your reading packets.

James Adams, *Conceptual Blockbusting: A Guide to Better Ideas*. New York: Basic, 1990.

Robert Cialdini, *Influence: The Psychology of Persuasion*. New York: Harper Collins Publishers, 2006.

Morton Deutsch and Peter T. Coleman, eds., *The Handbook of Conflict Resolution*. San Francisco: Jossey-Bass, 2000.

Roger Fisher and Daniel Shapiro, *Beyond Reason: Using Emotions as You Negotiate*. New York: Viking, 2005.

Roger Fisher and William Ury, *Getting to Yes*, New York: Penguin, 2011. Third Edition.

Barbara Gray, *Collaborating: Finding Common Ground for Multi-Party Problems*. San Francisco: Jossey-Bass, 1989.

Kaner et al., *Facilitator's Guide to Participatory Decision-making*. BC: New Society, 1996.

David Lax and James Sebenius, *3D Negotiation: Powerful Tools to Change the Game in Your Most Important Deals*. Boston: Harvard Business School Press, 2006.

Deepak Malhotra and Max H. Bazerman, *Negotiation Genius*. New York: Bantam, 2007.

Robert Mnookin, *Bargaining with the Devil: When to Negotiate, When to Fight*. New York: Simon & Schuster, 2010.

Robert Mnookin, Scott Peppet and Andrew Tulumello, *Beyond Winning: Negotiating to Create Value in Deals and Disputes*. Cambridge, MA: Belknap Press, 2004.

Christopher Moore, *The Mediation Process: Practical Strategies for Resolving Conflict*, 2nd edition. San Francisco: Jossey-Bass, 1996.

Dean Pruitt and Jeffrey Rubin, *Social Conflict: Escalation, Stalemate, and Settlement*. New York: Random House, 1986.

Howard Raiffa, *Negotiation Analysis: The Science and Art of Collaborative Decisionmaking*. Cambridge, MA: Harvard, 2007.

Roger Schwarz, *The Skilled Facilitator: Practical Wisdom for Developing Effective Groups*. San Francisco: Jossey-Bass, 1994.

Lawrence Susskind and Jeffrey Cruikshank, *Breaking Robert's Rules*, New York: Oxford University Press, 2006.

Lawrence Susskind, *Good for You, Great for Me: Finding the Trading Zone and Winning at Win-Win Negotiation*. New York: PublicAffairs, 2014.

Lawrence Susskind, Sarah McKearnan and Jennifer Thomas-Learner, eds., *The Consensus Building Handbook*. Thousand Oaks, CA: Sage, 1999.

Leigh Thompson, *The Mind and Heart of the Negotiator*, 6th ed. Upper Saddle River, NJ: Prentice Hall, 2014.

William Ury, *Getting Past No: Negotiating in Difficult Situations*, revised edition. New York: Bantam Books, 1993.

On-line resources:

[Program on Negotiation](#)

[Interaction Institute for Social Change](#)

[Conflict Resolution Quarterly](#)

[Consensus Building Institute](#)

[Association for Conflict Resolution](#)

[Negotiation Journal](#)

Schedule of Class Sessions, Readings and Work Assignments

NOTE: Use Stellar not this syllabus, to determine class readings and assignments. The reading list below is a preview only and will be modified on an ongoing basis throughout the semester.

Date	Topic/Exercise	Readings
Tuesday February 3 th	An Introduction to the Art and Science of Negotiation <i>Exercise: Win as Much as You Can</i>	Patton, B. (2005). <i>Seven Elements of Negotiation</i> . Boston, MA: Vantage Partners. Thompson, L. (2012). What is your mental model of negotiation? <i>The Mind and Heart of the Negotiator</i> , 5 th Ed. Pearson. pp.180-185 (skip box). <i>Optional: Raiffa, H., J. Richardson and D. Metcalfe (2002). Negotiation Analysis: The science and art of collaborative decision-making. Cambridge, MA: Harvard University Press. Chapters 2 and 4.</i>
Thursday February 5 th	3D Negotiations: A Negotiation Framework	Lax, D. & J. Sebenius (2003). 3-D Negotiation: Playing the Whole Game. <i>Harvard Business Review</i> , Nov: 1-6, 10-12. Wheeler, M. (2006). <i>Swimming with Saints / Praying with Sharks</i> . San Francisco: Jossey-Bass. pp.1-7. Schelling, T. (1980). Ch. 2 - An Essay on Bargaining. <i>The Strategy of Conflict</i> . Cambridge, MA: Harvard University Press. pp. 21-52. <i>Optional: Axelrod, R. (1984). The Evolution of Cooperation (Summary article). New York: Basic Books.</i>
Tuesday February 10 th	Preparing for Negotiations: Framing, biases, perspectives <i>Exercise: Appleton-Baker (including debrief)</i>	Kahneman, D. (2011). <i>Thinking Fast & Slow</i> . Ch. 11 – Anchors (pp. 119-128), Ch 27 – The Endowment Effect (pp. 289-299) and Ch 28 – Bad Events (pp. 300-309). Raiffa, H., J. Richardson and D. Metcalfe (2002). <i>Negotiation Analysis: The science and art of collaborative decision-making</i> . Cambridge, MA: Harvard University Press. Chapter 7. Bazerman, M. (2004). Picking the Right Frame: Make your best offer seem better. <i>Negotiation</i> , 7(10): 3-5.

Thursday February 12 th	Preparing for Negotiations: The Hardest Question <i>Poll discussion</i>	<p>* <i>Online poll to be completed in preparation.</i></p> <p>Malhotra, Deepak and Max Bazerman (2007). <i>Negotiation Genius</i>. New York: Bantam. Ch. 10 (Recognizing and resolving ethical dilemmas)</p> <p>Thompson, L. (2012). <i>The Mind and Heart of the Negotiator</i>. Pearson. Ch. 2 - Preparation: What to do before negotiation (pp. 12-37).</p> <p>Wasynczuk, A. & K. Dowd (2009). <i>Golden Rule</i>. HBS N1-909-017. 11pp.</p>
Tuesday February 17 th	<i>No class – MIT on Monday schedule</i>	
Thursday February 19 th	Creating Value <i>Exercise: Quarex</i>	<p>Bazerman, M. and M.A. Neale (1992). <i>Negotiating Rationally</i>. New York: Simon & Schuster, Inc. Chapters 3 (pp. 16-21); 9 and 10 (pp. 67-88).</p> <p>Ury, W. (1993). <i>Getting Past No: Negotiating your way from confrontation to cooperation</i>. New York: Bantam. Overview (pp. 3-14).</p>
Tuesday February 24 th	Creating Value <i>Quarex debrief</i>	<p>Thompson, L. (2012). <i>The Mind and Heart of the Negotiator</i>. Pearson. Ch. 4 – Win-Win Negotiation: Expanding the Pie (pp. 69-91).</p> <p>Mnookin, R.H. et al. (2000). <i>Beyond Winning: Negotiating to create value in deals and disputes</i>. Cambridge, MA: Harvard University Press. The Tension Between Creating and Distributing Value (pp. 11-43).</p>
Thursday February 26 th	Creating Value <i>Exercise: Multi-Search Software</i>	<p>Fisher, R. & W.H. Davis (1987). Six Basic Skills for a Negotiator's Repertoire. <i>Negotiation Journal</i>, April: 117-122.</p> <p>Wu, G. (1996). Sources of Joint Gains in Negotiations. HBS Case #9-396-241.</p>
Tuesday March 3 rd	Creating Value <i>Multi-Search debrief</i>	<p>Mnookin, R.H., S.R. Peppet and A.S. Tulumello (2000). <i>Beyond Winning: Negotiating to Create Value in Deals and Disputes</i>. Ch. 6 - Psychological and Cultural Barriers (pp. 156-172).</p>
Thursday March 5 th	Agile Strategy <i>Michael Wheeler guest lecture</i>	<p>* Problem set #1 (Negotiation Repertoire) due on Friday by 6PM on Stellar.</p> <p>Wheeler, M.A. and G. Levenson (1999). <i>Land Assembly and Negotiation</i>. HBS Case number 1-898-024.</p> <p>Wheeler, M.A. and G. Levenson (2000). <i>Disney (B): The Third Battle of Bull Run</i>. HBS Case number 9-898-019.</p>

Tuesday March 10 th	Improvising Agreement <i>Michael Wheeler guest lecture</i>	Wheeler, M.A. and D. Nelson (2003). <i>Nonverbal Communication in Negotiation</i> . HBR 903081. Sebenius, J.K. (2011). <i>Col. Joshua Chamberlain: Background to a Challenging Negotiation from the Civil War</i> . HBR 912029. Cialdini, R.B. (2001). Harnessing the Science of Persuasion. <i>Harvard Business Review</i> , October: 72-79.
Thursday March 12 th	Distributing Value <i>Exercise: Casino</i>	Stone, D., B. Patton and S. Heen (2010). <i>Difficult Conversations: How to Discuss What Matters Most</i> . Introduction and Chapters 1 to 4.
Tuesday March 17 th	Distributing Value <i>Casino debrief</i>	Fisher, R. and D. Shapiro (2006). <i>Beyond Reason: Using emotions as you negotiate</i> . New York: Penguin. First three chapters (pp. 1-51)
Thursday March 19 th	Advanced Distributing and Creating of Value <i>Exercise: Discount Market (and debrief)</i>	Maddux, W.W., E. Mullen and A.D. Galinsky (2008). Chameleons bake bigger pies and take bigger pieces: Strategic behavioral mimicry facilitates negotiation outcomes. <i>Journal of Experimental Social Psychology</i> , 44: 461-468. Maxwell, S., P. Nye and N. Maxwell (1999). Less Pain, Some Gain: The Effects of Priming Fairness in Price Negotiations. <i>Psychology and Marketing</i> , 16(7): 545-562.
Spring Break March 23 rd to 27 th – No class		
Tuesday March 31 st	Ethics in Negotiation	Thompson, L. (2012). Negotiation Ethics. <i>The Mind and Heart of the Negotiator</i> , 5 th Ed. Pearson. pp.169-178. Menkel-Meadow, C. (2004). Introduction: What's Fair in Negotiation? What is Ethics in Negotiation? <i>What's Fair: Ethics for Negotiators</i> . San Francisco: Jossey-Bass. pp. xiii-xxxv. Young, M. (2008). Sharks, Saints and Samurai: The Power of Ethics in Negotiations. <i>Negotiation Journal</i> , 24(2): 145-155.

Thursday April 2 nd	Gender in Negotiation <i>Leah Stokes</i> <i>guest lecture</i>	<p>* Problem set #2 (Influence and Persuasion) due by 6PM Friday on Stellar.</p> <p>Bowles, H.R. (in press). Psychological Perspectives on Gender in Negotiation. <i>The Sage Handbook of Gender and Psychology</i>. M.K. Ryan & N.R. Branscombe, Eds.</p> <p><i>Optional:</i> Charlesworth, H. (2008). Are Women Peaceful? Reflections on the Role of Women in Peace-Building. <i>Feminist Legal Studies</i>, 16: 347-361.</p> <p><i>Optional:</i> Bowles, H.R. and L.J. Kray (2013). Negotiation Is a Man's Game: Ultimate Truth or Enduring Myth? <i>2013 Gender and Work: Challenging Conventional Wisdom Conference</i>. Document available online at: http://www.hbs.edu/faculty/conferences/2013-w50-research-symposium/Documents/bowles_kray.pdf</p>
Tuesday April 7 th	Multiparty Negotiation	Thompson, L. (2012). Ch. 9 – Multiple Parties, Coalitions, and Teams. <i>The Mind and Heart of the Negotiator</i> , 51th ed. NY: Prentice-Hall. pp. 215-251.
Thursday April 9 th	Multiparty Negotiation <i>Exercise: Harborco</i>	<p>Susskind, L.E. (2004). Winning and blocking coalitions: Bring both to a crowded table. <i>Negotiation</i>, January. pp. 4-6.</p> <p>Watkins, W. & S. Rosegrant (1996). Sources of Power in Coalition Building. <i>Negotiation Journal</i>, Jan: 47-68.</p> <p><i>OPTIONAL:</i> Sebenius, J.K. (1996). Sequencing to Build Coalitions: With Whom Should I Talk First? <i>Wise Choices: Decisions, Games, and Negotiations</i>. R. Zeckhauser, et al., Eds. Boston: HBS Press. pp. 324-348.</p> <p><i>OPTIONAL:</i> Raiffa, H. (1982). Coalition Analysis. <i>The Art and Science of Negotiation</i>. pp. 257-274.</p>
Tuesday April 14 th	Multiparty Negotiation <i>Harborco debrief</i>	Susskind, L. E. & J.L. Cruikshank (2006). <i>Breaking Robert's Rules</i> . NY: Oxford. READ/SKIM ENTIRE BOOK.
Thursday April 16 th	Values-Based Disputes <i>Exercise: Springfield OutFest</i>	Forrester, J. (1999). Ch. 12 - Dealing with Deep Value Differences. <i>The Consensus Building Handbook</i> . L. Susskind, S. McKernan, and J. Thomas-Larmer, eds. Thousand Oaks, CA: Sage. pp. 463-493.
Tuesday April 21 st	Patriot's Day <i>No class</i>	

Thursday April 23 rd	Assisted Negotiation <i>Exercise: Homelessness in Niceville</i>	Doyle, M. & Straus D. (1993). <i>How to Make Meetings Work!</i> New York: Berkeley Trade. Ch. 6 – How to be a good facilitator. Adams, J.L. (1986). Groups and Organizations. <i>Conceptual Blockbusting: A Guide to Better Ideas</i> . Reading, MA: Addison-Wesley. pp.131-152.
Tuesday April 28 th	Assisted Negotiation <i>Homelessness in Niceville debrief Stacie Smith guest lecture</i>	<i>SKIM</i> : Thayer-Hart, N., ed. (2007). <i>The Facilitator's Tool Kit: A Guide for Helping Groups Get Results</i> . University of Wisconsin System Board of Regents. Moore, C.W. (1996). "How Mediation Works." <i>The Mediation Process</i> , 2 nd Ed. San Francisco: Jossey-Bass. pp. 41-77.
Thursday April 30 th	Uncertainty and Science-Intensive Disputes <i>Exercise: A New Connection in Westerberg</i>	* Problem set #3 (Multiparty and Assisted) due by 6pm on Stellar. Sarewitz, D. (2004). "How Science Makes Environmental Controversies Worse." <i>Environmental Science & Policy</i> , 7: 385-403. Barrett, S. and A. Dannenberg (2012). "Climate negotiations under scientific uncertainty." <i>PNAS</i> , 109(43): 17372-17376.
Tuesday May 5 th	Uncertainty and Science-Intensive Disputes <i>Westerberg debrief</i>	Karl, H.A., L.E. Susskind & K.H. Wallace (2007). A Dialogue, Not a Diatribe: Effective Integration of Science and Policy Through Joint Fact Finding. <i>Environment</i> , 49(1): 20-34. Schenk, T. and L.C. Stokes (2013). "The Power of Collaboration: Engaging All Parties in Infrastructure Development." <i>IEEE Power & Energy</i> , 11 (3): 56–65.
Thursday May 7 th	Agents, Multi-Level Negotiations and Complexity <i>'The Final Offer'</i>	** View: 'The Final Offer' (negotiation video) before class (link on Stellar). ** Fisher, R. (1989). Negotiating Inside Out. <i>Negotiation Journal</i> , 5(1): 33-41.
Tuesday May 12 th	Sequencing and strategy in multi-party negotiations <i>Case discussion: 'Malta bargains with Great Britain'</i>	** BE SURE TO READ: Wriggins, H. (1976). Up for Auction: Malta Bargains with Great Britain, 1971. <i>The Fifty Percent Solution</i> . I.W. Zartman, Ed. New York: Doubleday. pp. 208-234. **
Thursday May 14 th	Test role-play simulation exercises	