

# ISP-2021: Negotiation Games

## Day 1: Bargaining to Cooperation:

Preparation, Proposal, Norms, Deception, Destruction

January 19, 2021

Dmitry Kulish

Skoltech

# Culture of Skoltech

- Speak English
  - Use every opportunity to become fluent
- CAP: Courteous, Actionable (non-descriptive), Positive
  - “It is raining outside so I need 10 mins to find an umbrella and then I join you”
  - “If you are really depressed by the color of my tie, you may consider bringing to me another one and convince me of its merits”
  - Rephrase and practice
- Reply and copy emails
- Check Canvas
- Turn on your camera
  - ZOOM culture +
  - Use the opportunity train it !



→ If you have any question, immediately raise your hand at any time: there are no stupid or inappropriate questions  
→ asking & sharing is unique learning opportunity: volunteer often  
→ Any digital activity in most classes (unless explicitly stated otherwise) is an illegal addiction that:  
→ destroys your and your classmates learning experience  
→ harms your leadership and innovation potential  
→ leads to stress and possibly failure

to

# Welcome to 100% online

## ➤ GOOD NEWS:

- Online education as well as online job gives you some new tools and features
  - e.g. better pace and structure
  - of course, it lacks some things (see below), but worlds (online and offline), you are a Jedi
- It is very good for your future job interviews
  - Many professions will stay online forever
  - It is your job to prove that you are efficient online

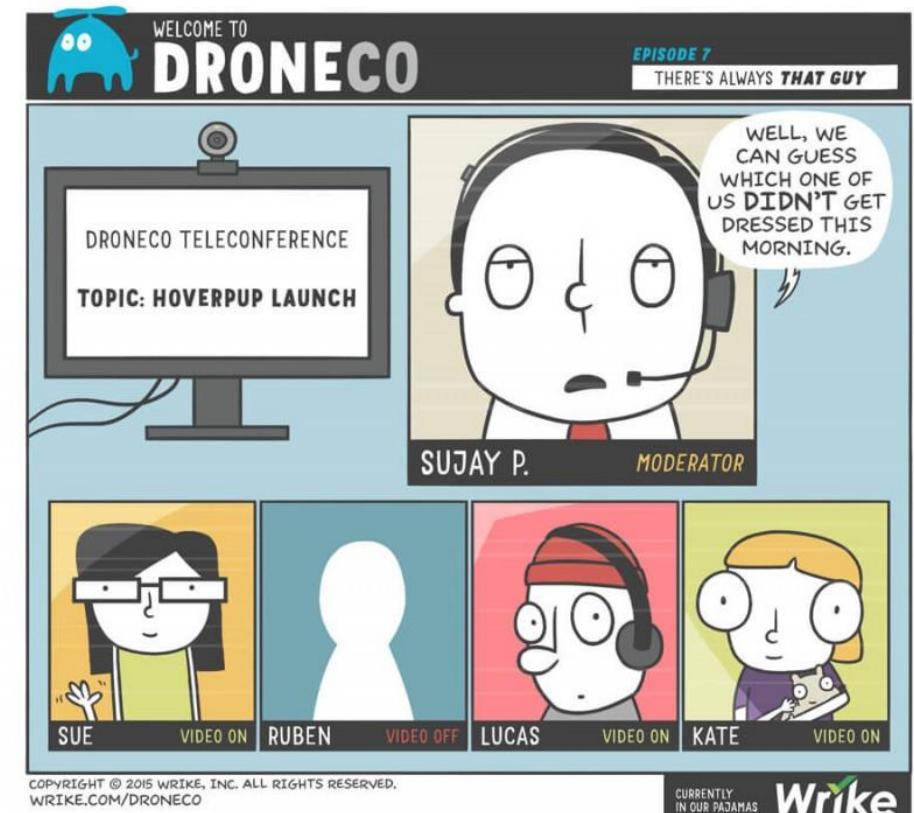
## ➤ BAD NEWS:

- *H. sapiens* needs physical contact
  - Meet weekly in epidemiologically-correct ways
    - Pub on the 2<sup>nd</sup> day of this course
  - Be aware of your mental state
- Tangible prototyping is complicated
  - Employ deliveries
- Sitting all day is very bad for health
  - Jog outside twice a day



# 100% online culture

- Emerging indicators of a remote work idiot:
  - Video off (request to be questioned often)
    - If you can not secure good connection and environment, you create dangerous precedent for life
  - Talking without invitation:
    - But ! You must fight for your invitation through all info channels (chat + call) ! (lifetime learning)
    - In the online world everything has a chat and if you care you must be in this chat
    - Yes, you must prioritize



# Canvas and E-mail are your lifelines

- Check it everyday to receive crucial messages
  - reply and copy stakeholders
- Follow Skoltech requirements on proper emailing
  - e.g. clearance for medical leave
- Four MUSTs of writing the letter:
  1. name yourself
  2. explain your issue
  3. suggest the possible solution
  4. request feedback

People who are funny and smart and return phone calls get much better press than people who are just funny and smart.

Howard Simons

# Full time attendance requirement



Skolkovo Institute of Science and Technology

УТВЕРЖДЕНО/APPROVED

Приказом Ректора Автономной некоммерческой образовательной организации  
высшего профессионального образования «Сколковский институт науки и технологий» /  
by the Order of the President of the Autonomous Non-Profit Organization for Higher  
Education "Skolkovo Institute of Science and Technology"  
№131/10 от/dated «1» сентября/September 1, 2014 года

ПОЛОЖЕНИЕ

О ПОСЕЩАЕМОСТИ И УЧЕБНОЙ НАГРУЗКЕ ОБУЧАЮЩИХСЯ  
СКОЛКОВСКОГО ИНСТИТУТА НАУКИ И ТЕХНОЛОГИЙ

REGULATIONS

ON SKOLTECH STUDENT ATTENDANCE AND FULL-TIME STATUS  
REQUIREMENT

ENGLISH TITLE

РУССКОЕ НАИМЕНОВАНИЕ

Document type: Regulations

Тип документа: Положение

Document Version: 1.0

Версия документа: 1.0

Administering entity: Department of Education

Курирующее подразделение: Департамент по  
образованию

Indicative time for review: annual

Периодичность пересмотра: ежегодная

Responsibility for review: Dean of Education

Ответственный за пересмотр: Декан по  
образованию

Related local acts of the Institute and other  
documents:

Связанные локальные нормативные акты  
Института и иные документы:

- Disciplinary Board: Composition and  
regulations policy
- Положение «Дисциплинарный совет:  
состав и порядок работы»

- In Soft Skill courses you learn from the designed experience, not from the book
  - If you do not show up, you steal learning not only from yourself, but also from your classmates
  - Hence your full time attendance is crucial
  - Your full attendance is also mandated by the Skoltech Regulation on attendance
- ISP attendance will be carefully monitored:
  - **If you must leave for 2 hours, email DK & TA**
    - If you just disappear, we just fail you

# On mandatory attendance

## Attendance

Every class and T-group session is **mandatory**

Unexcused absences **drop grade 1 full level**

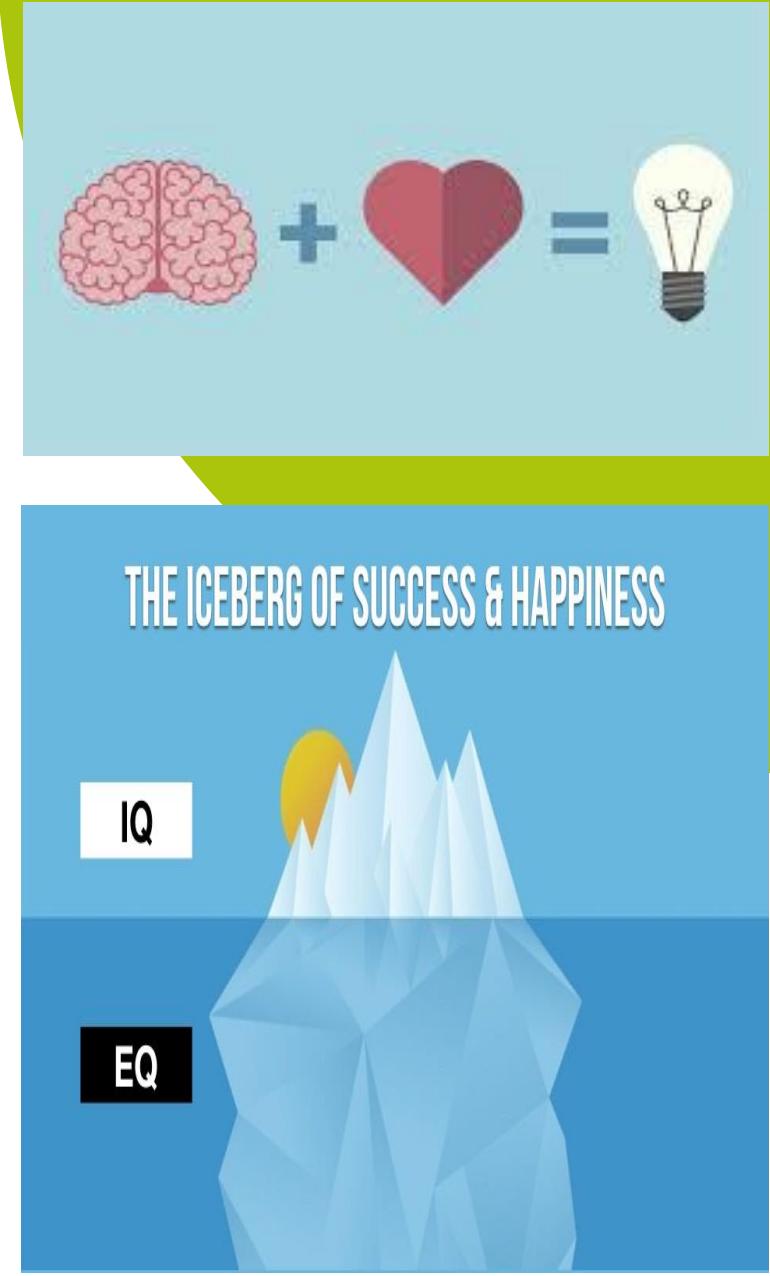
**No allowances** for interviews, recruiting,  
other classes, weddings, family events or...

# Our TA

- Ask questions. Leadership is 60% verbal
- Our TAs is **Dmitry Zverev**
  - MS-1 ES
  - actively participated in ISP EQ
    - knows what is going on



# What we do here



# It does exist

## 1. DISCIPLINARY KNOWLEDGE AND REASONING

*UNESCO PILLAR: LEARNING TO KNOW*

- 1.1 KNOWLEDGE OF MATHEMATICS AND SCIENCES
- 1.2 KNOWLEDGE OF APPLIED SCIENCE AND ENGINEERING SCIENCE
- 1.3 KNOWLEDGE OF INNOVATION AND ENTREPRENEURSHIP
- 1.4 INTERDISCIPLINARY THINKING, KNOWLEDGE STRUCTURE AND INTEGRATION
- 1.5 KNOWLEDGE AND USE OF CONTEMPORARY METHODS AND TOOLS

## 2. PERSONAL ATTRIBUTES – THINKING, BELIEFS AND VALUES

*UNESCO PILLAR: LEARNING TO BE*

### 2.1 COGNITION AND MODES OF REASONING

- Analytical reasoning and problem solving
- System thinking
- Creative thinking
- Decision making (with ambiguity, urgency etc)
- Critical thinking and meta-cognition

### 2.2 ATTITUDES AND LEARNING

- Initiative and the willingness to take appropriate risks
- Willingness to make decisions in the face of uncertainty
- Responsibility, intensity, perseverance, urgency and will to deliver
- Resourcefulness, flexibility and an ability to adapt
- Self-awareness and a commitment to self-improvement, lifelong learning and educating

### 2.3 ETHICS, EQUITY AND OTHER RESPONSIBILITIES

- Ethical action, integrity and courage
- Social responsibility
- Equity and diversity
- Trust and loyalty
- Proactive vision and intention in life

## 3. RELATING TO OTHERS – COMMUNICATION AND COLLABORATION

*UNESCO PILLAR: LEARNING TO WORK WITH OTHERS*

### 3.1 COMMUNICATIONS

- Communications strategy and structure
- Written, electronic and graphical communication
- Oral presentation and discussion
- Inquiry, listening and dialogue

### 3.2 COMMUNICATIONS IN INTERNATIONAL ENVIRONMENTS

- Communications in English in scientific, business and social settings
- Effective interaction in different cultural and international settings

### 3.3 TEAMWORK

- Forming effective teams
- Team operations and project management
- Team coordination, decision-making and leadership
- Team growth and evolution
- Technical and multidisciplinary teaming

### 3.4 COLLABORATION AND CHANGE

- Establishing diverse connections and networking
- Appreciating different roles, perspectives and interests
- Negotiation and conflict resolution
- Advocacy
- Bringing about intentional change

## 4. LEADING THE INNOVATION PROCESS

*UNESCO PILLAR: LEARNING TO DO*

### 4.1 MAKING SENSE OF GLOBAL SOCIETAL, ENVIRONMENTAL AND BUSINESS CONTEXT

- Appreciating the potential and limitations of science and technology, their role in society and society's role in their evolution
- Taking responsibility for sustainable development, including social, economic, environmental and work environment aspects
- Understanding the technical products, systems and infrastructure of the sector
- Understanding the enterprise – culture, stakeholders, strategy and goals
- Understanding the business context – markets, policy and ecosystem of the sector

### 4.2 VISIONING – INVENTING NEW TECHNOLOGIES THROUGH RESEARCH

- The research process – hypothesis, evidence and defense
- Basic research leading to new scientific discovery
- Research aimed at developing new technologies
- Imagining utility of new science and technology
- Developing concepts and reducing to practice

### 4.3 VISIONING – CONCEIVING AND DESIGNING SUSTAINABLE SYSTEMS

- Identifying stakeholders need and wants
- Identifying and formulating objectives and goals
- Conceiving and architecting products and services around new technologies and identifying their impact
- Disciplinary and multidisciplinary design for sustainability, safety, aesthetics, operability and other objectives
- Understanding the technical context and ecosystem of the product or service
- Design process management, including planning, project judgment and effective decision-making

### 4.4 DELIVERING ON THE VISION – IMPLEMENTING AND OPERATING

- Designing and optimizing sustainable and safe implementation and operations
- Manufacturing and supply chain operations
- Supporting the system life cycle including evolution and disposal
- Implementation and operations management

### 4.5 DELIVERING ON THE VISION – ENTREPRENEURSHIP AND ENTERPRISE

- New venture conceptualization and creation
- Financing product development and new ventures
- Building and leading an organization and extended organization
- Initiating engineering and development processes
- Selling, marketing and distributing products and services
- Understanding the value chain – the innovation system, networks and infrastructure
- Managing intellectual property and respecting the legal process

# YOU ARE IN THE NEGOTIATIONS PREMIER LEAGUE

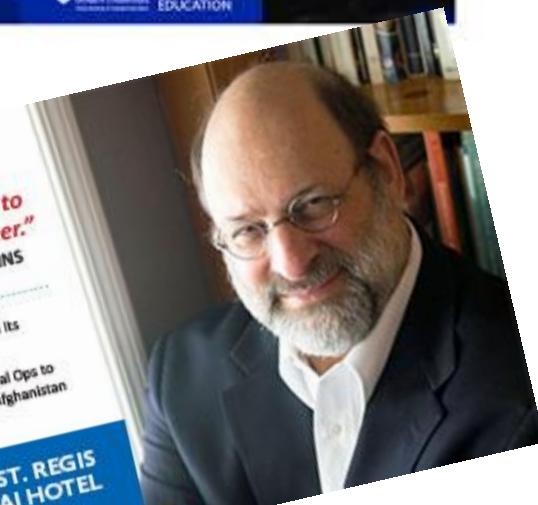
**NEGOTIATION WORKSHOP**  
Have you ever felt uncomfortable in a negotiation?  
Do you ever feel unsure when negotiating over a job offer, a work assignment, or even where to go for lunch?  
Thursday, Feb 4<sup>th</sup> 2016 3:10 PM  
Featherinill Hall 134  
Refreshments served and please bring a pencil  
Dr. Laura Ilies  
Professor of Research Fellow  
Wharton School of Management  
Workshop Schedule  
3:10 – 4:10 Interactive Lecture  
4:15 – 5:00 Optional Negotiation Case Simulation\*  
\* Please RSVP: <http://tiny.cc/meyarw>  
Arrive at least 15 minutes early

**NEW! JULY 2019 ON-CAMPUS PROGRAM**  
**NEGOTIATION AND LEADERSHIP**  
DEALING WITH DIFFICULT PEOPLE AND PROBLEMS  
Summer 2019 Three Day Session  
JULY 15-17  
Harvard Law School Cambridge MA

**Work Smart in Boston: Salary Negotiation Workshop**  
Gain confidence in your negotiation style through facilitated discussion and role play.  
Tuesday, May 22 | 5:30-8:00 pm  
24 Cummings Mall (Auditorium B01)  
Boston, MA 02215  
In collaboration with:  
**gwise@BU** **AAUW** **CITY OF BOSTON**  
[www.massauw.org](http://www.massauw.org)



**LEADERSHIP**  
**EXECUTIVE NEGOTIATION WORKSHOP:**  
Negotiate with Confidence  
Wharton EXECUTIVE EDUCATION



**Stuart Diamond**  
For a 2 day Workshop  
**Getting More**  
How You Can Negotiate  
to Succeed in Work & Life  
The Most Sought-After Course  
Wharton School of Business

9 - 10  
DECEMBER 2015

THE ST. REGIS  
DUBAI HOTEL  
DUBAI, UAE

# Labels are overrated

- **LEADERSHIP**
  - Awareness of personal goals
  - Awareness of team goals
  - Efficiently fulfilling the leader role
  - Being disciplined by the team for poor performance



- **TEAMWORK**
  - Awareness of personal goals
  - Awareness of team goals
  - Efficiently fulfilling the leader role
    - Being disciplined by the team/leader for poor performance

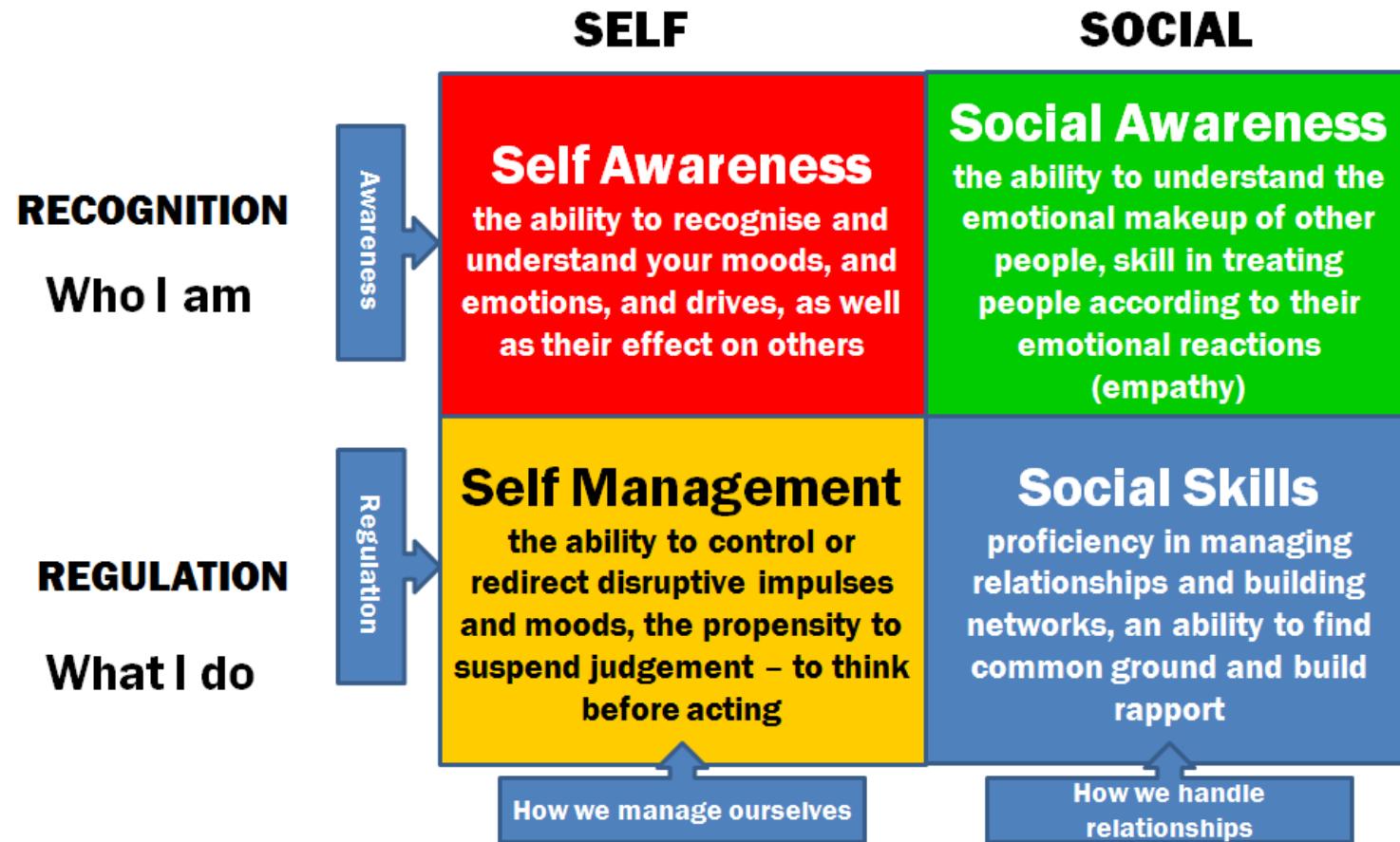
# Slogans are overrated

- Leadership is one lame label but lets keep it as we need to call this soft stuff some name
  - It may also be called “teamwork” or “people skills” or “EQ”
- Leadership three pillars are:
  - **Awareness (WYWTDT)**
    - personal/group goals and values
  - **Influence**
    - making others do your thing
  - **Stress management**
    - stress is your brain SW feature enhanced and employed by society
- These three pillars are surprisingly interconnected and interdependent
  - **Taken together, they are called Leadership or EQ**



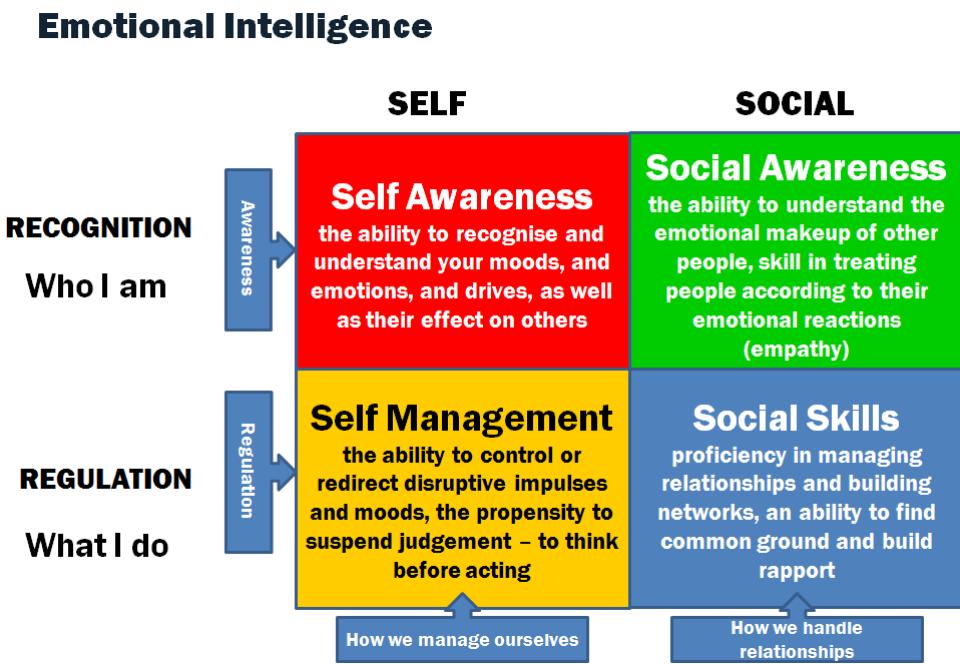
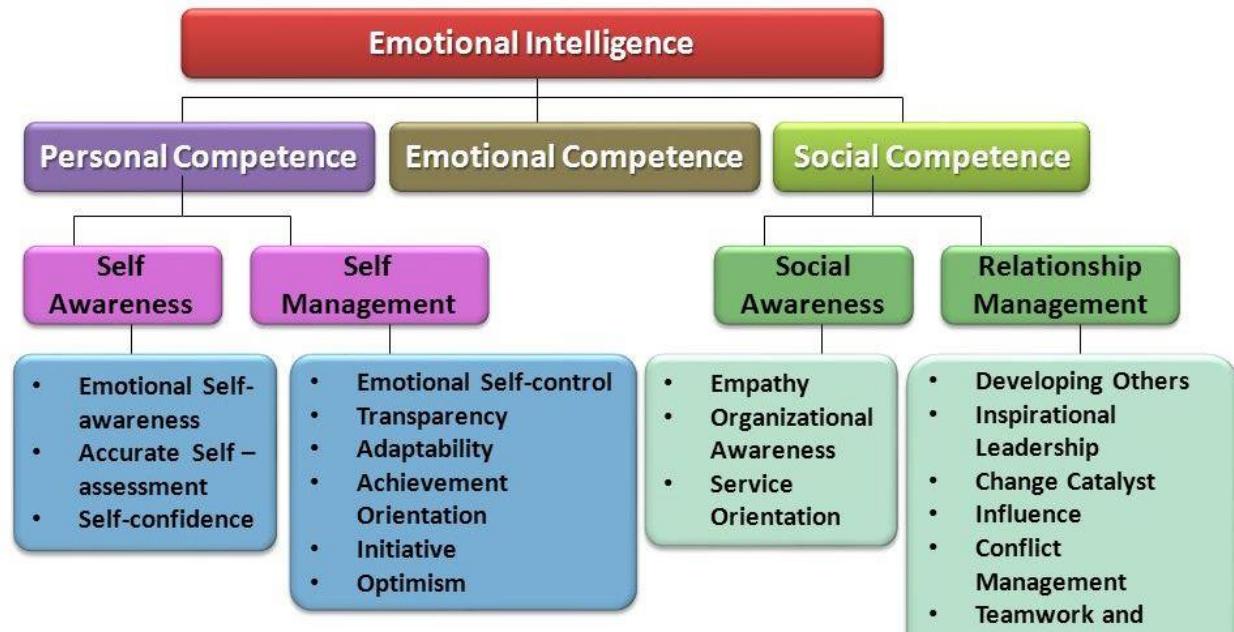
# EQ is in the root of everything

## Emotional Intelligence



# EQ = social common sense

- That is hard to learn and apply (and teach), because emotions are beyond cognitive reasoning



# Making others do your thing

## ➤ Making your team do your project:

## ➤ Leadership or Manipulation?

- Depends on your intent and team result. It is manipulation if:
  - you do it only for your personal benefit without accounting for the benefits of others
  - or if you fail to lead your team to success
- If your team wants to sleep under the rain, probably manipulating them a little is good to their health
  - but if they get ill anyway, you will be guilty
- Doing well by doing good is the fine art
  - Some people call it WIN-WIN but beware:
    - Labels and slogans are designed to make you pay

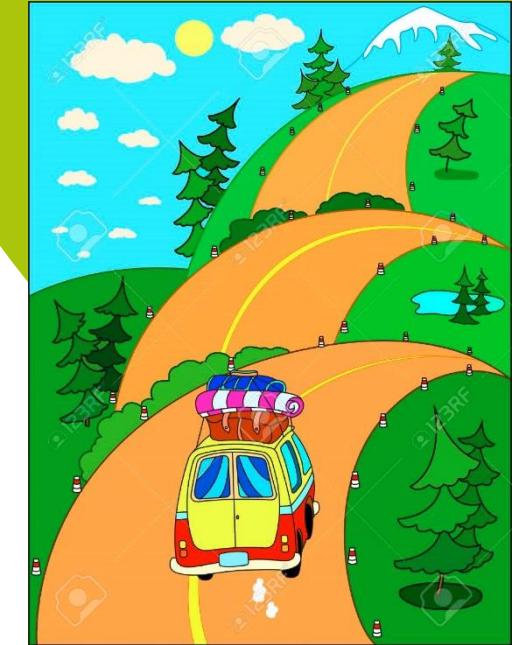
## ➤ Inspiration or Manipulation?

- Where is the border between inspiration and manipulation?
- Ask a poet and keep doing your job, while she sings



# Steps to develop your EQ

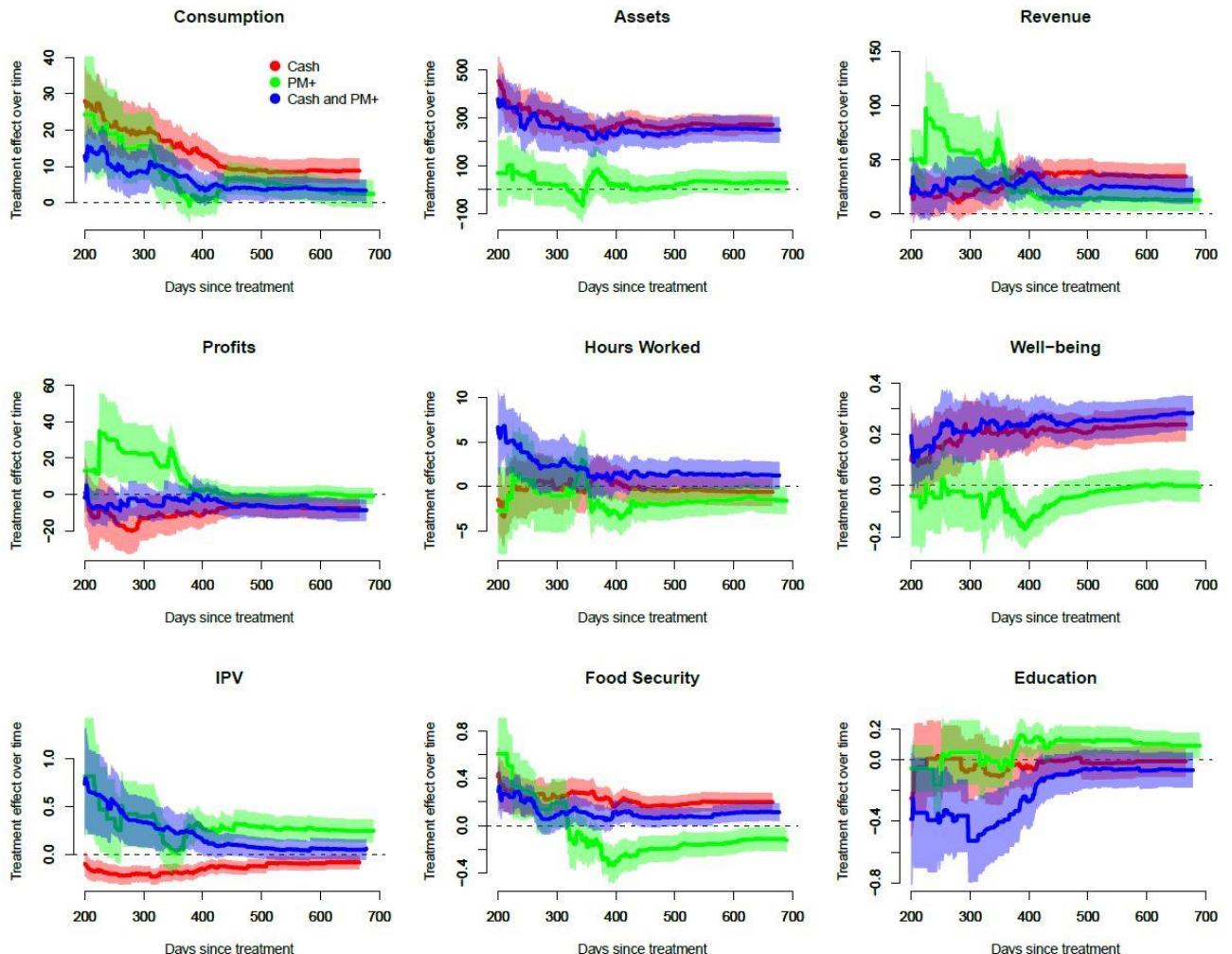
1. Learn how to figure out what drives you
  - What you need the money for
  - What you buy using this money
  - Why you need it
    - Maybe you can obtain it without money? Optimization!
2. Learn how to influence others
  - Some of them know what they want and will not let you ride on their plans unless you are really competitive and influential
3. Learn how to get out of stress of dealing with these stubborn dumb egoistic people



# Soft Skills Measurements

- Can you survive without soft skills?
  - No
    - science
    - Innovation
    - corporate
- Can you survive on Soft Skills only?
  - No
    - Be proud of your Skoltech training and industrial experience

Figure F.1: Treatment effects over time



# DEFINE NEGOTIATIONS

Dmitry Kulish





## What is negotiation?

- Negotiation is a process of two or more parties working together to arrive at mutually acceptable resolution of one or more issues
- It deals with the conflicting situation of two or more conflicting parties to settle down the issue
- Negotiation refers to a process of seeking to influence others
- It is a 'give-and-take' bargaining process
- Negotiation occurs everyday.



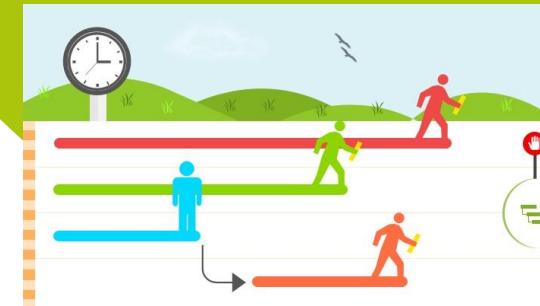
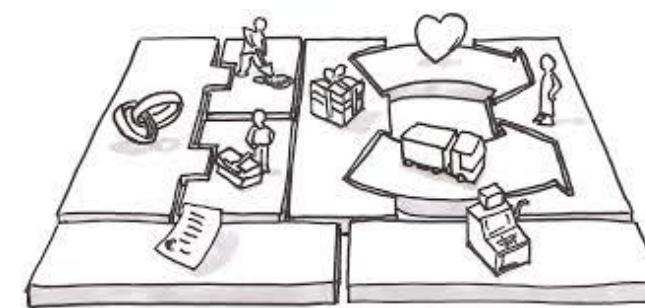
- **EQ**

- Goals & Values
- Influence  
(active listening → empathy → rapport)
- Stress management (recognize tension → relax)



- **Project Management**

- Elevator pitch (*Sci*)
- Osterwalder
- Gantt (*Engineering*)



- **Negotiations (influence the influencers)**

- BATNA
- win-win
- picture in their heads
  - back to EQ ☺



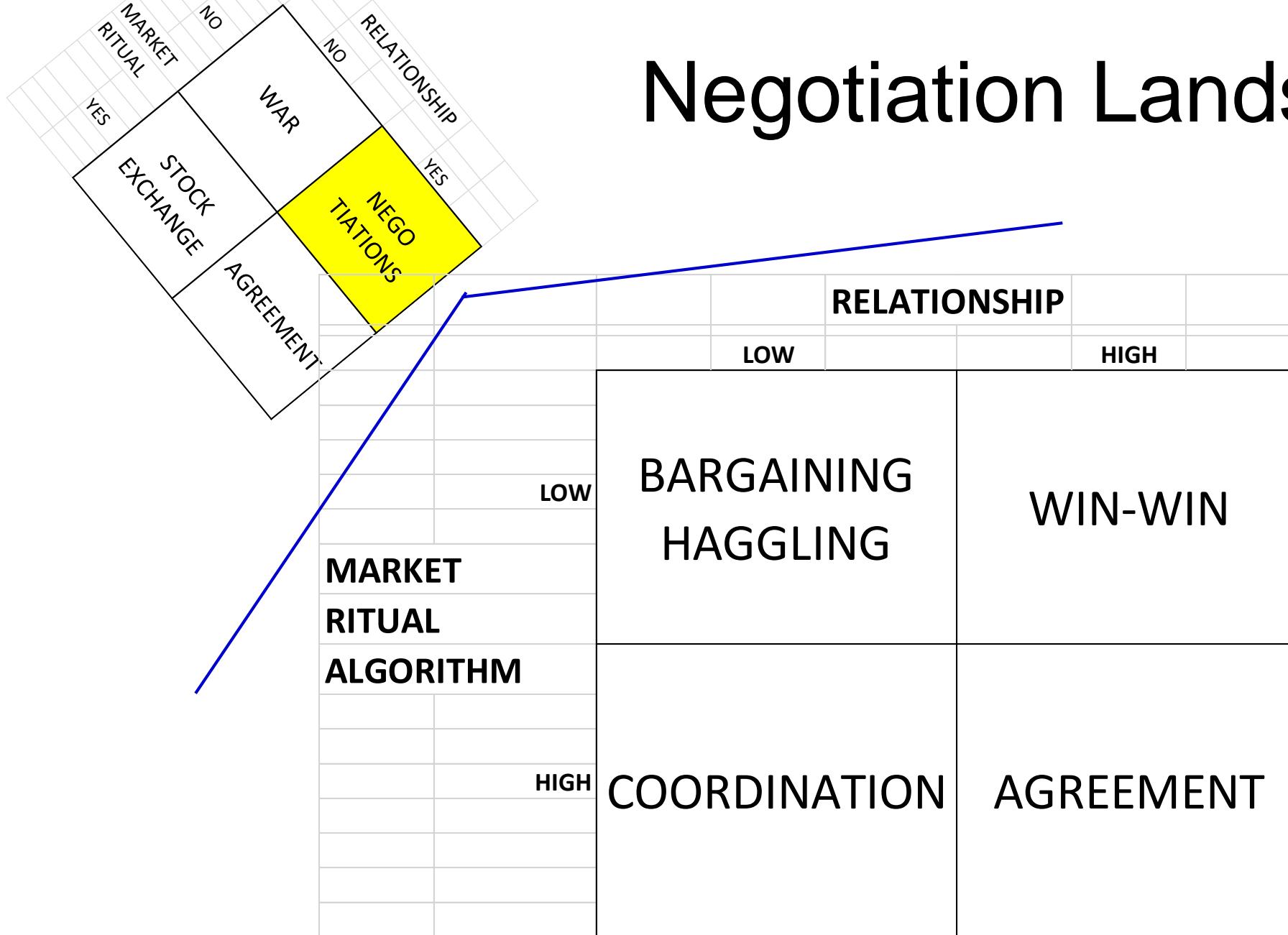
**KNOW YOUR  
BATNA**



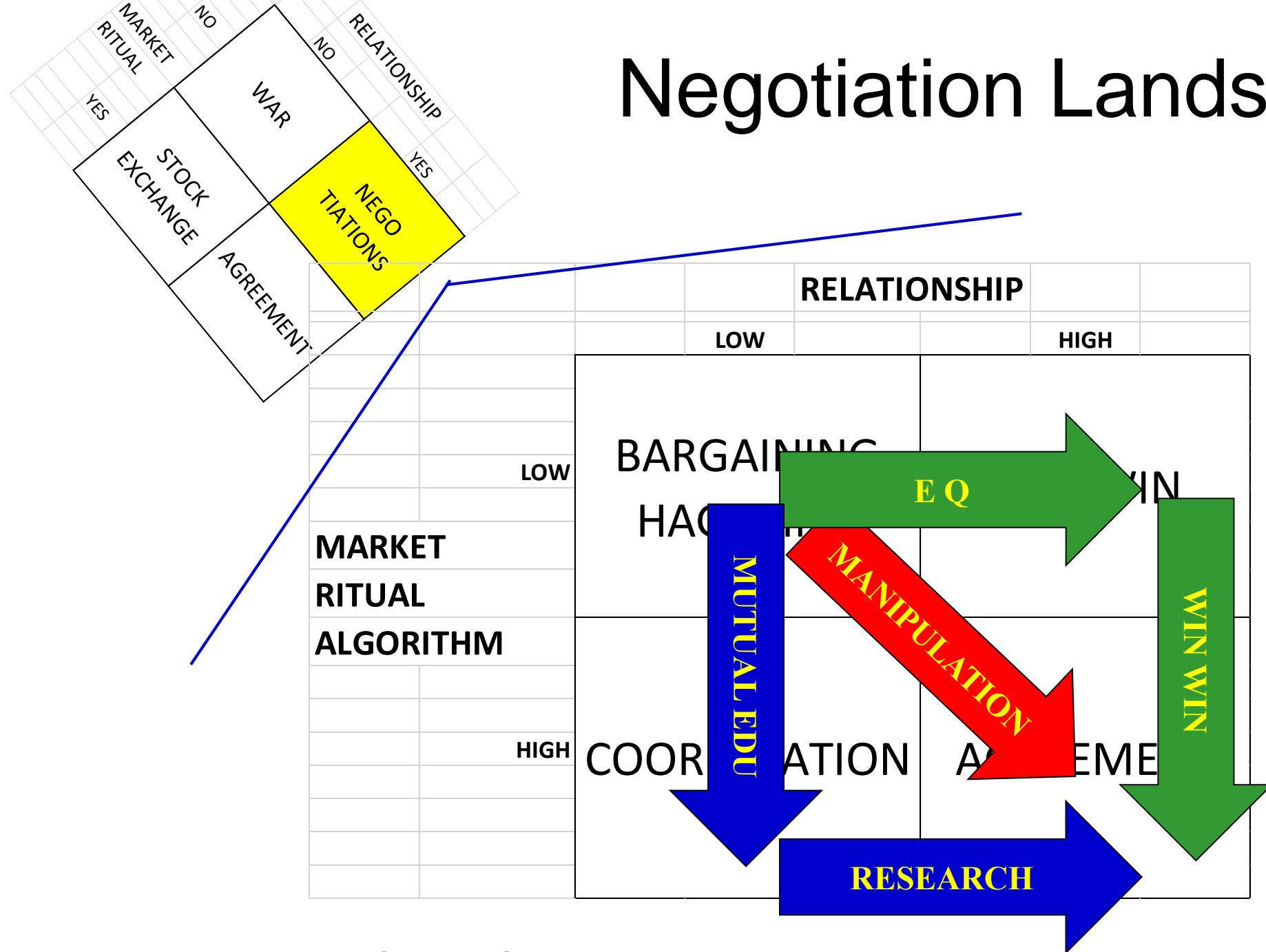
- Negotiation = agreement in the context of relationship, but in the absence of market/social order or ritual
- At some point, each human interaction becomes like that
  - Even if I sell you an apple, I share with you the piece of my karma and eternal soul, so lets negotiate

|        |     | RELATIONSHIP   |               |
|--------|-----|----------------|---------------|
|        |     | NO             | YES           |
| MARKET | NO  | WAR            | NEGO TIATIONS |
|        | YES | STOCK EXCHANGE | AGREEMENT     |
| RITUAL | NO  | WARRIOR        | PEACE         |
|        | YES | TRADITION      | CEREMONY      |

# Negotiation Landscape



# Negotiation Landscape



# YOUR COMING NEGOTIATIONS

- **Most important: Selling or receiving equity in startup**
  - True dramatic negotiation: each learning of this course applies
    - Bargain
    - Coordinate
    - Win-Win
- **Most currently coming: Salary negotiation**
  - Conceptually the same as previous, but the price of mistake is less so you may take more risks with anchoring and pushing
- **Most enduring: your domestic and business partners:**
  - No Bargaining, No coordination
    - only WIN-WIN + EQ

# INSTRUCTIONS + RITUAL



"Emphasize our unique differences,  
pass it down."

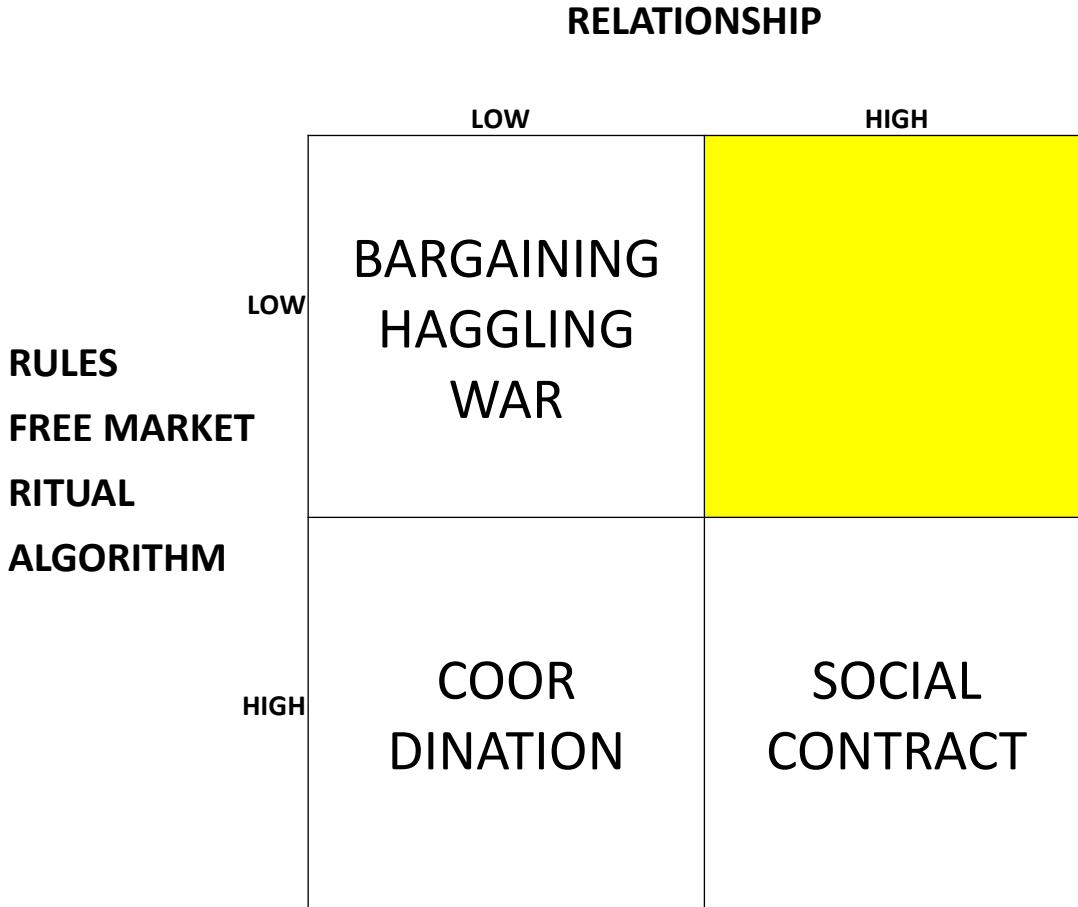
The Human brain  
is an amazing  
organ. It  
functions  
24 hours a day  
from the day we  
are born and only  
stops when we  
are performing  
ritual



- NO RULES, NO RELATIONSHIP
  - Bargaining, Haggling, War
- STRONG RULES (RITUAL),  
NO RELATIONSHIP
  - Classic microeconomics (Marx to Friedman)
  - Stock (option) exchange
  - Money markets
- STRONG RULES,  
SOME RELATIONSHIP
  - Social contract
  - Austrian school of economics
  - General education



# THE DAY WILL COME



- The day will come when you are not given instructions and even rules
- It will come sooner than you expect
- Don't be afraid !
  - dealing with strangers is great experience and value
- Probably the only way to personal freedom & success

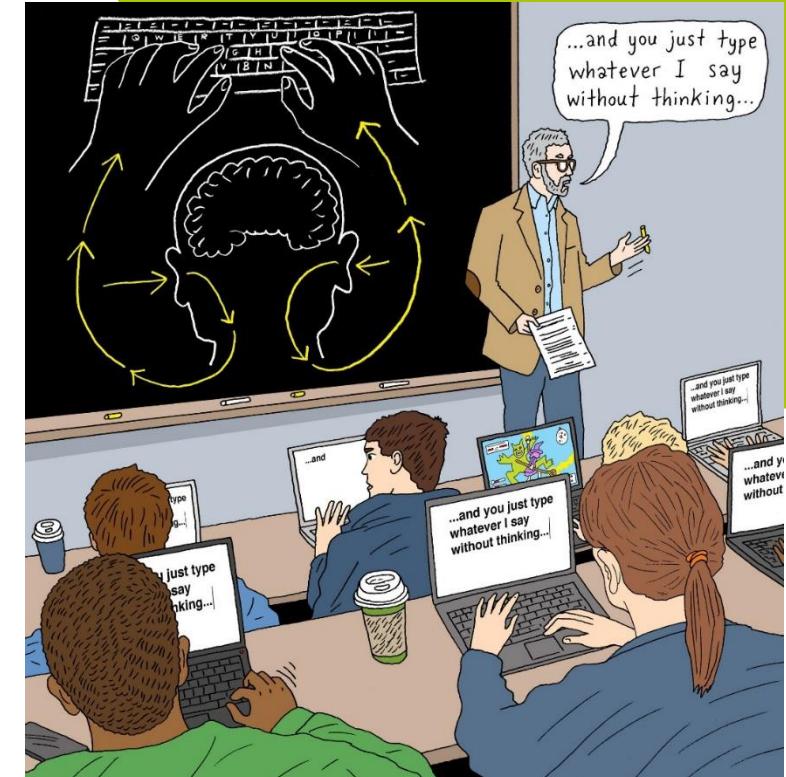
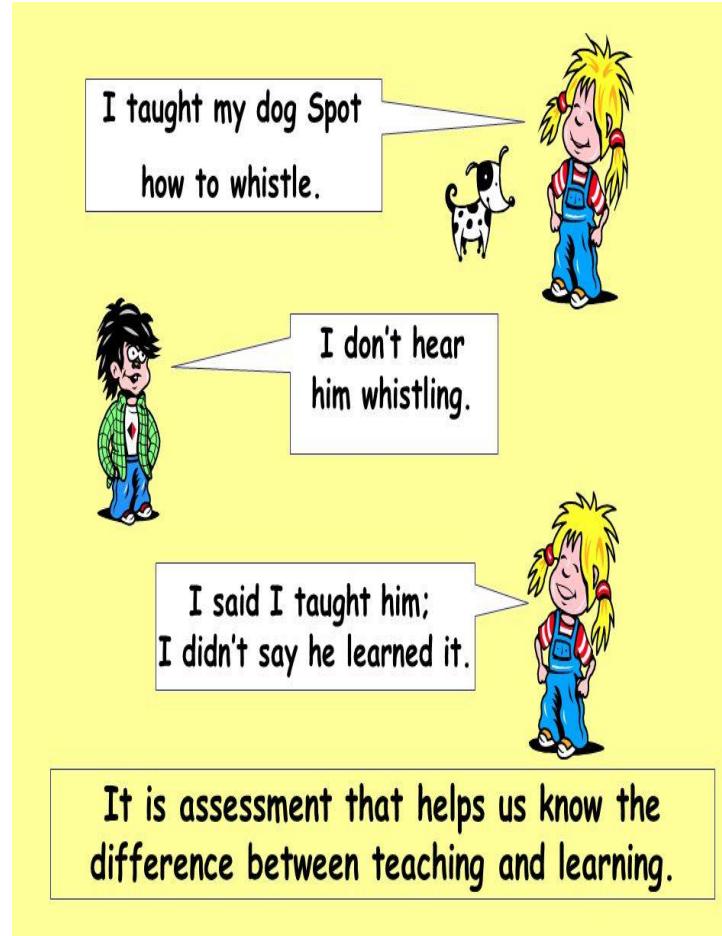
**Skoltech**

**DO YOU WANT TO WIN ?**

**Dmitry Kulish**



# Soft Skills can be learned only through practical exercise



# HOW WE MEASURE SUCCESS

- Scientific measure of successful social management
  - Personal satisfaction is subjective
  - Satisfying relationship is subjective
    - **MONEY (ASSETS) is objective**
- The strongest leader is awarded by the social resources
  - In our society the key resources are money
    - Independently of whether you think money is good or bad
- You may reject social games only by rejecting the society
  - Persistent solitary existence ends in war:  
you either deal with our rules or perish
    - **RETURN TO EQ**



# You must want to win

- **Society teaches us humility and composure**
  - You must pretend that you do not care
    - It is good for your social status, negotiation and for your mental health
  - However, if you do not care, you will not win
    - You will heal pain of failure with the good story and learn how to keep playing without winning
- **Emotion indeed derails you**
  - Both agitation of victory and depression of failure derail you
    - we will discuss stress management later today
- **Learn to manage will to win**
  - Learn from victory and move on + Learn from failure and move on
    - In both cases you will perform better in future
  - But if you do not care, you will not learn and never progress

**SOMETIMES  
IT'S EASIER TO  
PRETEND THAT  
YOU DON'T CARE,  
THAN TO ADMIT  
IT'S KILLING  
YOU.**

KUSHANDWIZDOM

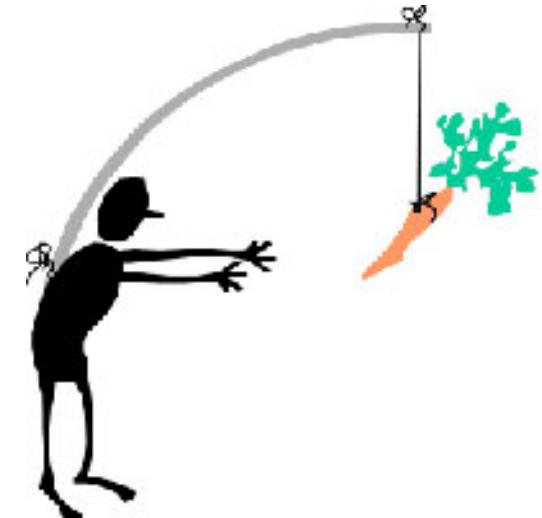
# The way you behave today

- In this class you must care
  - **The way you behave today defines the way you behave in life unless you take your lessons**
- Look around and you will find your classmates who want to win
  - Sometimes you think that all people around you are calm observers
  - That is not true. Observers loose. But some people win. Learn from them.
  - At least one person is here

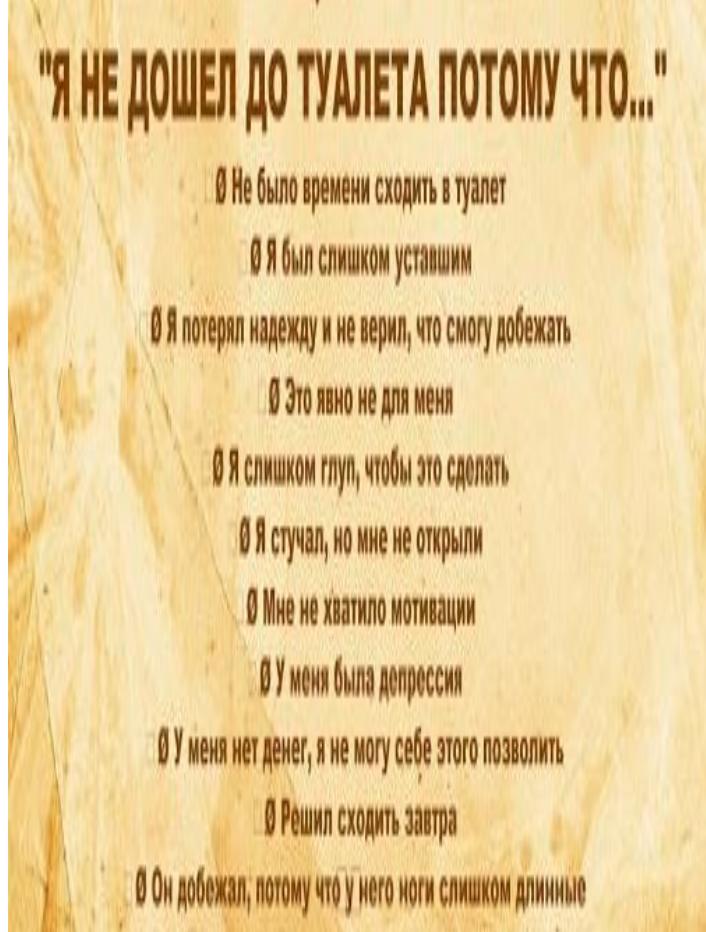


# The Illusion of Motivation

- Motivation is a misleading illusion (delusion)
  - If you see your hunch across the corridor, you will approach it/him/her in 2 seconds without any additional motivation
  - If you do not see your hunch, you will keep sitting
    - The power of the hunch attraction is balanced by the strength of your and other people barriers
  - **THE NEXT SLIDE IS DRAMATIC**
    - for a reason



# The Illusion of Motivation



"I pissed my pants BECAUSE..."

- I did not have time to look for the toilet
- I was too tired
- I lost hope
- It is not mine thing
- I could not enter the toilet because of the crowd outside
- I decided to postpone the visit to the toilet till tomorrow



- [YOUR NAME] HAS DIED BECAUSE... [put here YOUR REASON FOR NOT PLAYING]

- PRIZES

1. Signed book + Skoltech Sweater

**Wow I am at Skoltech**

2. Skoltech Sweater:

**You will see me at Skoltech a lot**

3. Skoltech Sweater:

**Science is in the heart**

- do not share your role descriptions with your counteragents
- listen to your counteragents and trust them unless what they say clearly does not make sense
- share your knowledge with your counteragents and engage in open discussions with them
- aim high to achieve your goals stated in your role description
- if you believe that role description provides insufficient information, either raise hand and ask a question or reconstruct missing information based on your knowledge and common sense
- if you do not agree with your role thinking and position, feel free to adjust, but keep as close as possible to the basic assignment for the sake of the game



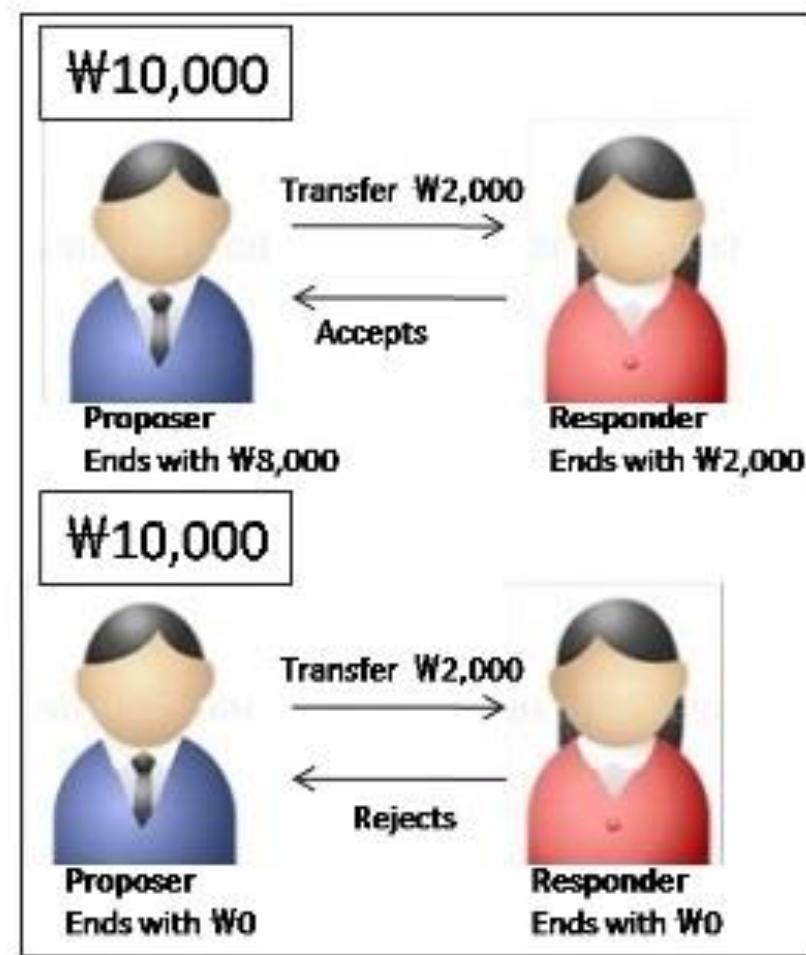
# World famous Ultimatum Game !

- You both fill the google form simultaneously!
- The form is quite straightforward – just mind the instructions

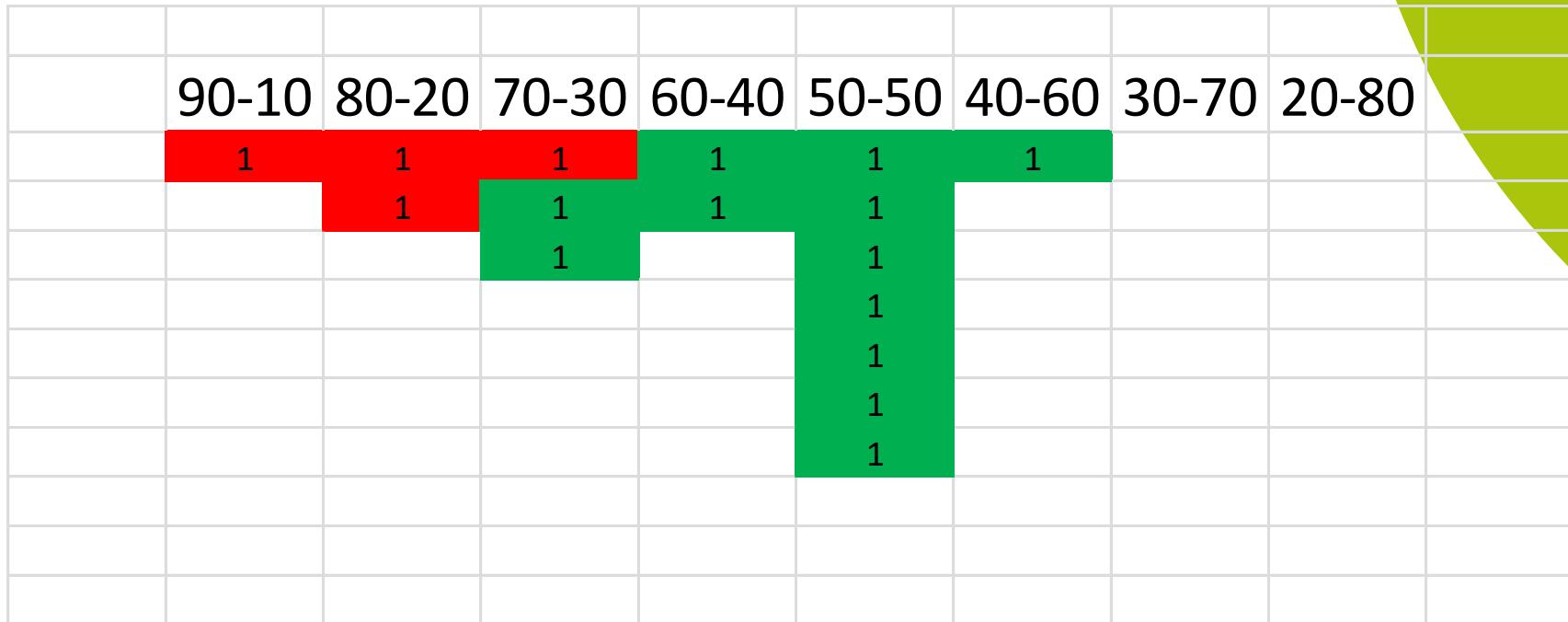


# World famous Ultimatum game

- Proposer vs. Responder
- Proposer: divide \$10 into 2 shares
- Responder: decide to accept proposer's offer
- If responder accepts the offer, players receive money
- If responder do not accept the offer, neither player receives any money.

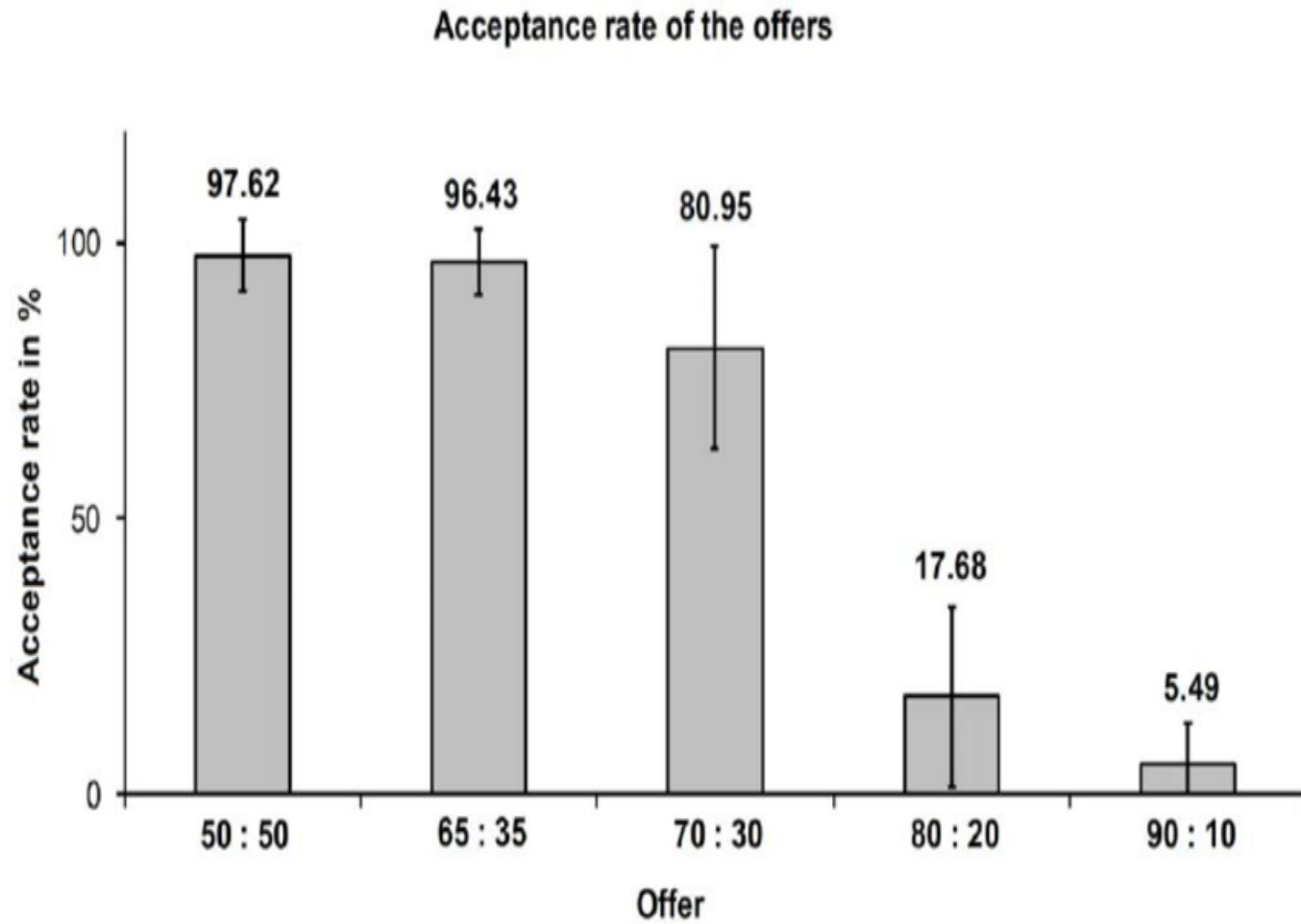


# Results 1 round



- **FINANCIAL SCIENCE vs CHRISTIAN SCIENCE IN 1 SEC:**
  - 1 (one) Rouble is undisputedly better than 0 (Zero) Roubles
  - Number Two must accept 1 !

# The right to offer



- Why Number ONE has the right to offer?
- Is Number ONE leader or teamworker?
- Is Number ONE innovator or stakeholder (investor) ?

# Fairness Equality Justice

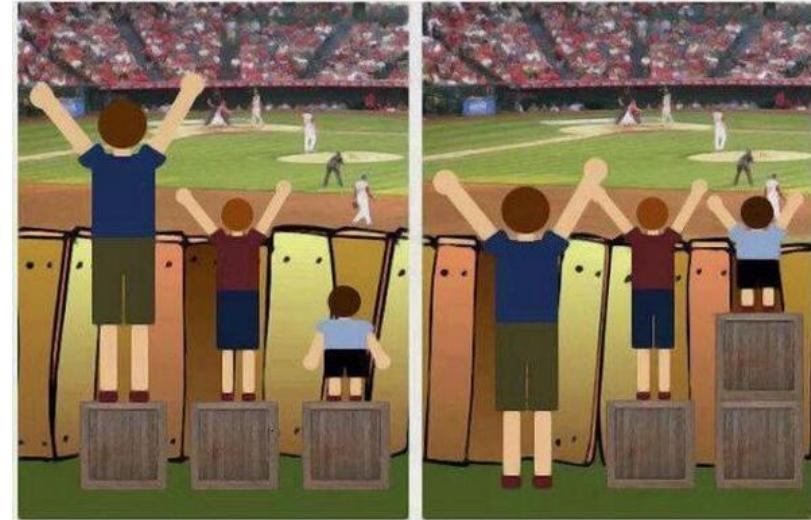
- What is fair offer?
- Rejecting which offer makes sense?
- Is equality fair?



EQUALITY DOESN'T MEAN JUSTICE

EQUALITY

JUSTICE



# Personalities and geographies

FIGURE 4.1 *The Dictator Game: Distribution of Offers*

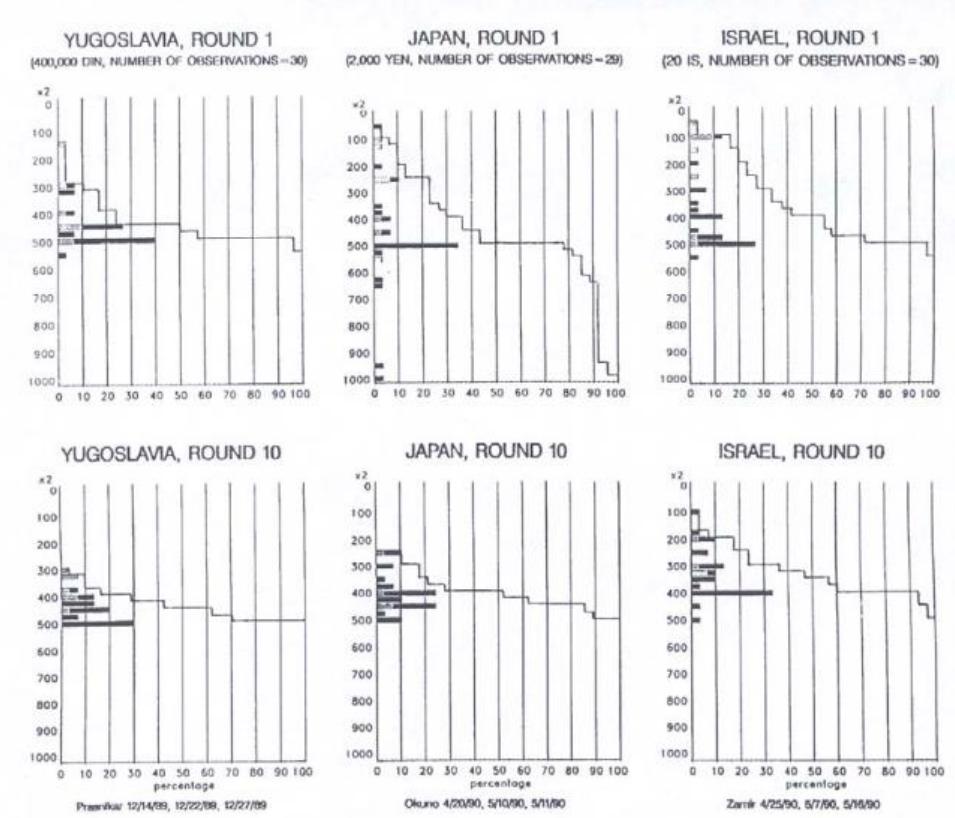
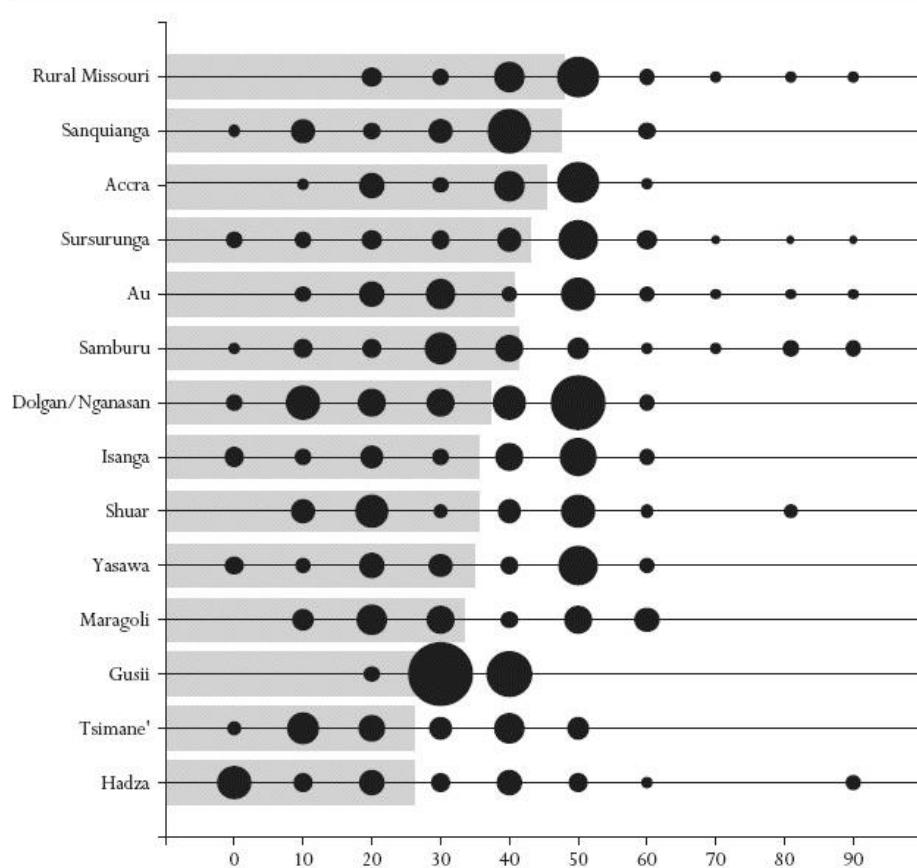


FIGURE 4. DISTRIBUCTIONS OF BARGAINING OFFERS IN YUGOSLAVIA, JAPAN, AND ISRAEL (SOLID BARS = ACCEPTED OFFERS; STRIPED BARS = REJECTED OFFERS)

# Ultimatum learnings

- You must not judge other person NORMS
  - And you must ACCEPT them if you want to win (to avoid war)
- Humans disregard the rational solution in favor of some notion of fairness
  - You have to **COORDINATE** with them even if mathematics does not prescribe so
    - In some cases **COORDINATION** is prescribed with math, but the other people may not be smart enough to see it so it is your job to explain it patiently
  - **COORDINATION = YOUR NORMS + THEIR NORMS + COMMON GOAL**
- The average offers are in the region of 40-50% of the pie
  - About half of the responders reject offers below 30% *unless they feel connection*
    - **best strategy for one-round game**
      - empathic fine-tuned manipulation
    - **best strategy for multiple-round game**
      - tit-for-tat

# **DECEPTION DESTRUCTION MANIPULATION**

are just strategies to be dealt with

Dmitry Kulish

Skoltech

# Dealing with deception and manipulation

- **Habitual liars**

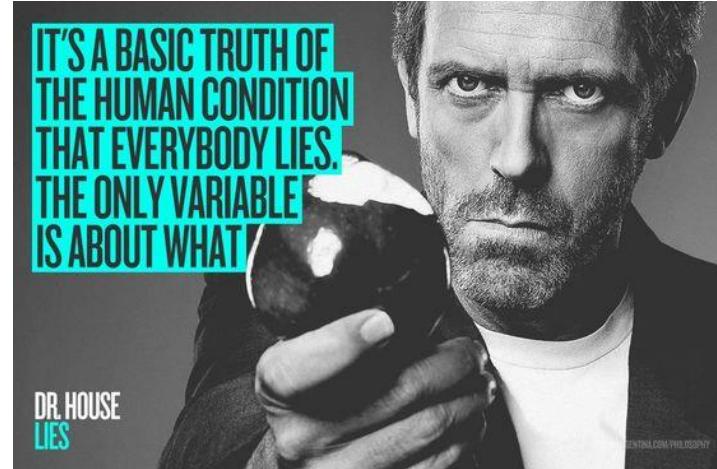
- Way of life coming from mental constructs of mistrust to the world
  - Unpleasant
  - Less often than you expect
- You would be shocked but they sincerely believe that they are your guards, teachers, and shepherds

- **Occupational liars (see Mach)**

- Both are not evil, but philosophical opponents and often you are one

- **Same way for both:**

- Compassion
- Open confession of concern for trust
- Reverse manipulation
- Saving face



# Occupational Deception is a noble service to people

**“ Besides this, one cannot by fair dealing, and without injury to others, satisfy the nobles, but you can satisfy the people, for their object is more righteous than that of the nobles, the latter wishing to oppress, while the former only desire not to be oppressed.”**



Niccolò Machiavelli  
**(The Prince)**

## A prince must combine the qualities of a lion and a fox

- Advised the prince he should imitate the qualities of fox and lion
- A fox might have shrewdness and foresight, but he is powerless without necessary force of a lion. Similarly a lion without shrewdness and prudence of a fox would be reckless
- Hence a ruler who wants to be very successful must combine in himself the qualities of both fox and lion. He must possess bravery of lion and cunningness of fox
- Physical force is necessary when there is anarchy and indiscipline. But law and morality is essential to check selfishness of people and to generate civic virtues

One who deceives will always find those who allow themselves to be deceived.

Niccolò Machiavelli



# Lies Detection is non-verbal

*Can you spot the liars?*



## I Know You Are Lying

Includes an analysis of eight famous cases

- ▶ JonBenet Ramsey Murder
- ▶ O.J. Simpson Murder Trial
- ▶ Dr. Martin Luther King Assassination
- ▶ And more

Mark McClish

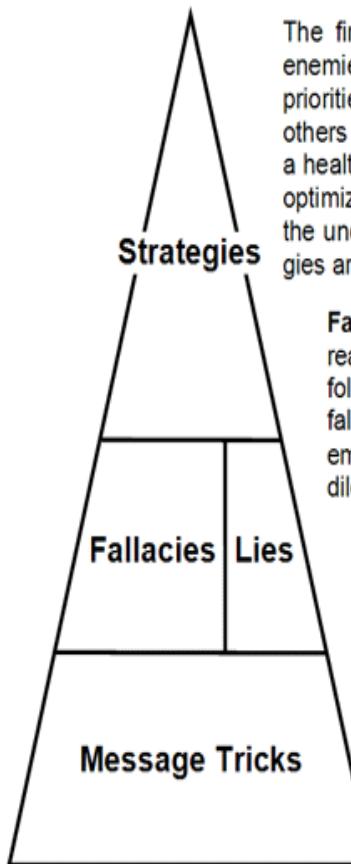
**IT'S WHAT YOU DON'T SAY THAT COUNTS!**



**LEARN TO READ AND INFLUENCE PEOPLE THROUGH  
NONVERBAL COMMUNICATION.**

# Studying Deception

## The Pyramid of Political Deception

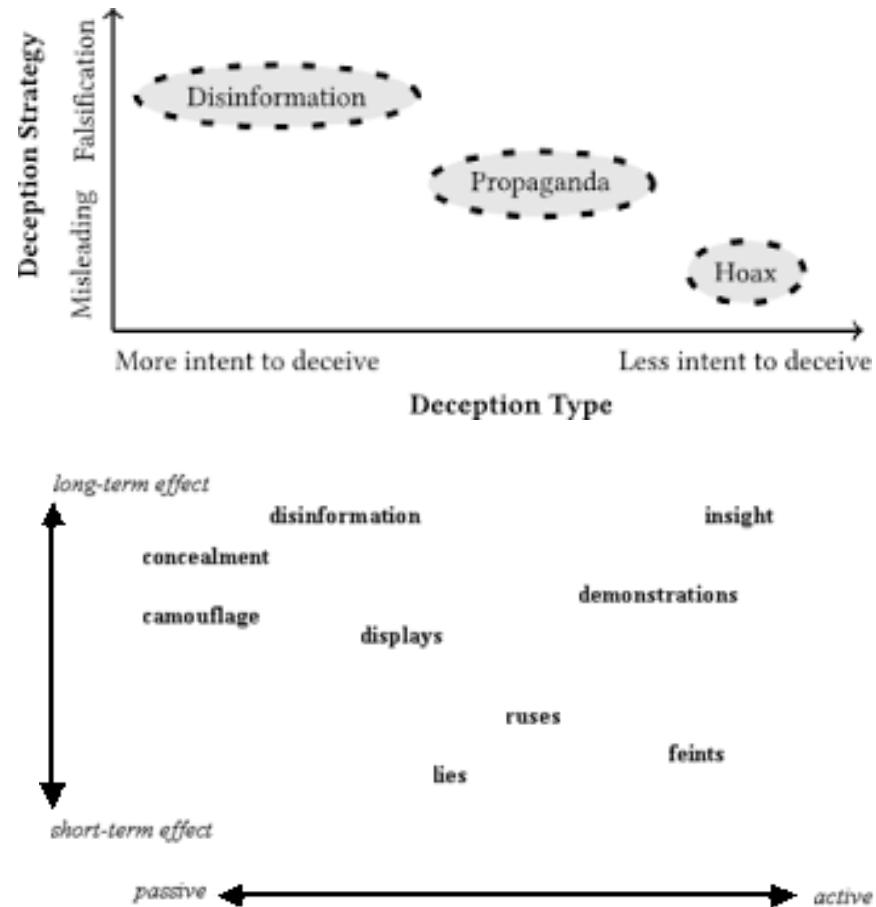


The first four strategies are false promises, false enemies, pushing the fear hot button, and wrong priorities. A fifth type, secrecy, is used to make the others possible and stronger. From the viewpoint of a healthy democracy all are deceptive because none optimize the common good. They instead maximize the uncommon good of special interests. The strategies are implemented with fallacies and lies.

Fallacies are always false because using the reasoning of the fallacy, the conclusion does not follow from the premises. The six most common fallacies are the *ad hominem* attack, appeal to emotion, biased sample, false analogy, false dilemma, and straw man.

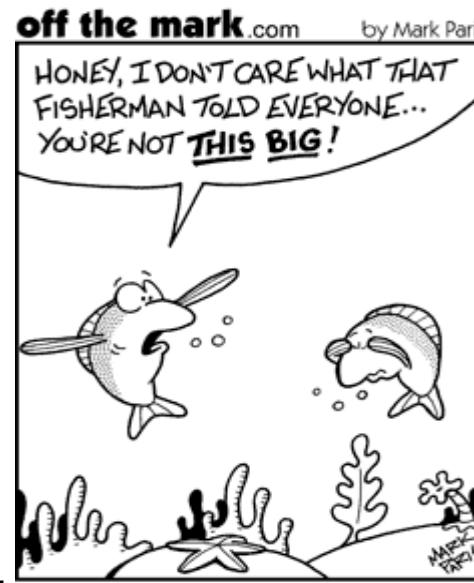
Lies are either false facts or false arguments whose logic is sound but due to false premises the conclusion is false.

These are the thousands of message tricks used to maximize the success of implementing the upper layers, like ambiguous wording, emotional trigger words, biased framing, eye candy (powerful visuals), subliminal mood music and repetition.



# TYPES OF DECEPTION AND MANIPULATION

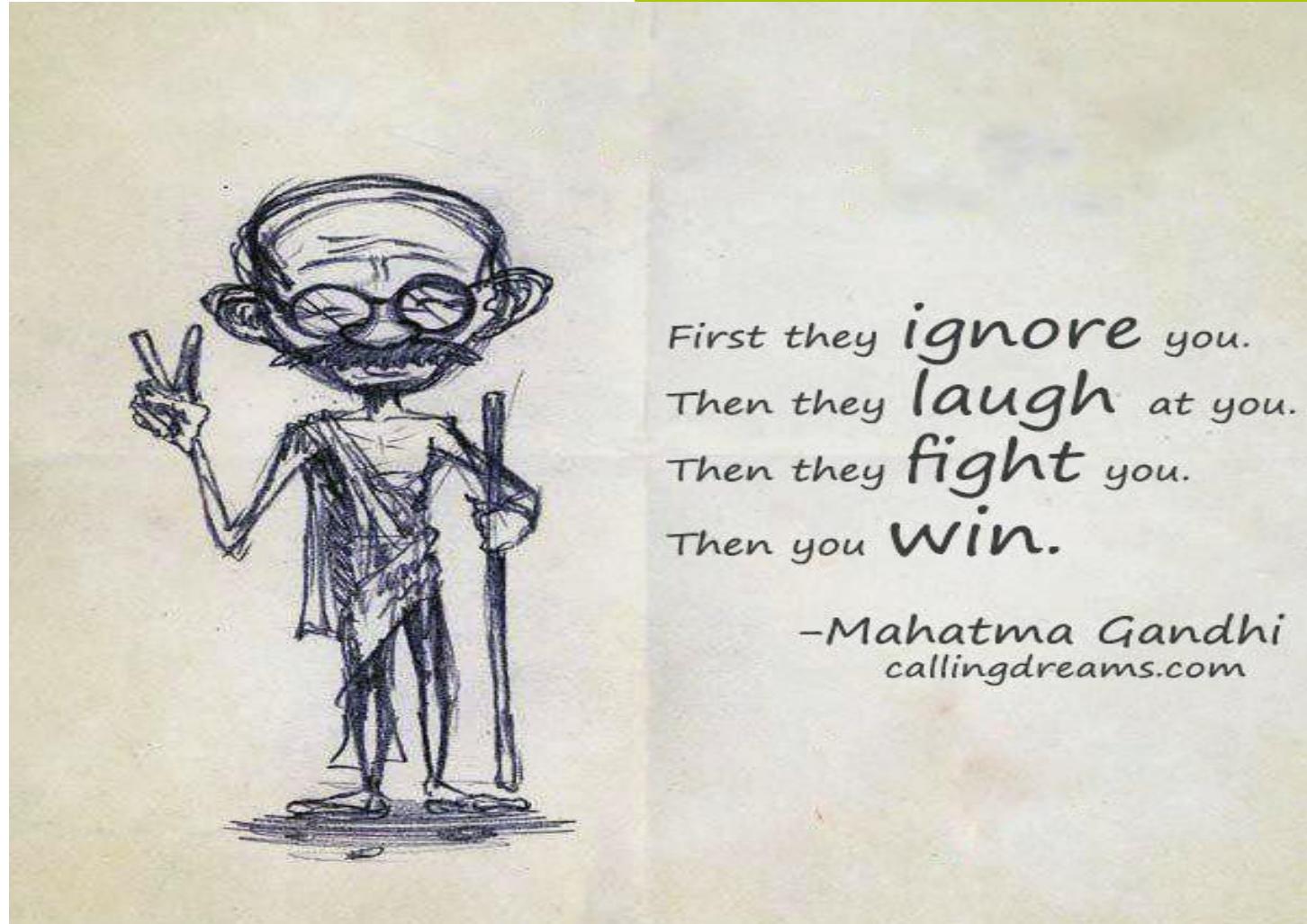
- They look different, but they are all the same EQ tools:
  - Outright aggression
  - Blockade/boycotte
  - Tacit threats and blackmailing
  - Shrewd talk:
    - Falsification
    - Exaggeration
    - Omission
    - Equivocation



Tall, Dark, and Handsome chats with Buxom Blonde.

# Suicide bomber is hard to beat

- EQ
  - Goals and values
  - Influence
  - Stress management
- Satyagraha
  - Balance or you will be smashed



First they *ignore* you.  
Then they *laugh* at you.  
Then they *fight* you.  
Then you *win*.

-Mahatma Gandhi  
[callingdreams.com](http://callingdreams.com)

# The framework for aggressive situations

- Increase intensity of conversation
  - Lying and manipulating is tough job – you have a chance to exhaust the liar and put him into a coma
    - Risk: honest people hate and mistrust intensive talks as strongly as liars
- Openly share your concerns of trust, transparency, and validity of the discussion. Ask for sincerity.
  - Habitual liars may be surprised and stop lying
- And always come back to the core:
  - Destress, reestablish your goal and act towards its
  - Influence on the way
    - Active listening, Empathy, Rapport
- If you want to burn the bridge, DO NOT let them save face
  - If you want social trust, respect, and reputation, help them to save face (*satyagraha*)



# World famous Dictator Game !

- Read the instruction in Canvas
- You both fill the google form simultaneously!
- The form is quite straightforward – just mind the instructions



# ISP-2021: Negotiation Games

## Day 2: Coordination

Plan, Manage, Build, Lead, and theeeeeen... Bargain !

January 20, 2021

Dmitry Kulish



Skoltech

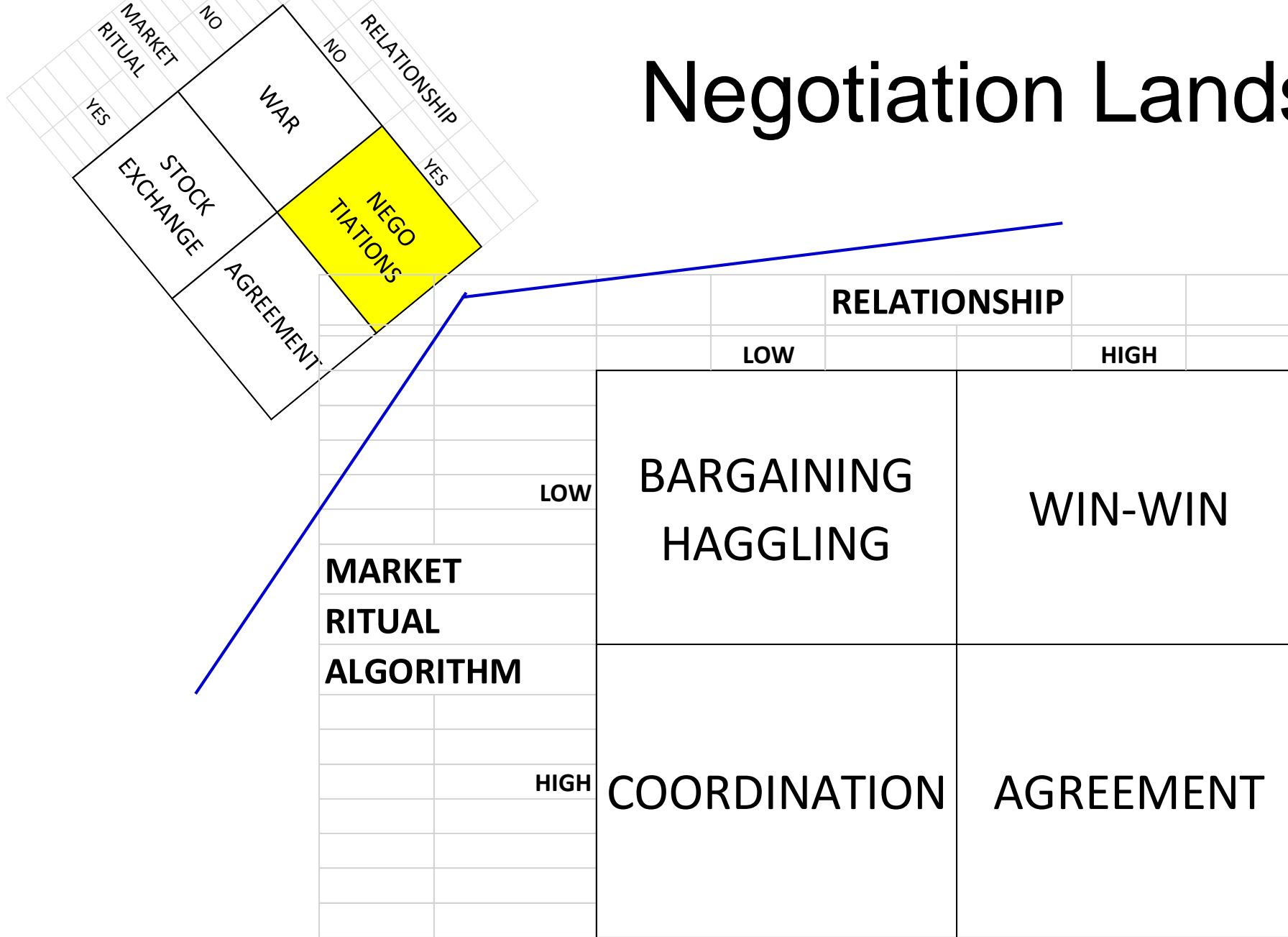
| name               | ultimatum   | role2    | grade       | role3       | grade       | total       |          |
|--------------------|-------------|----------|-------------|-------------|-------------|-------------|----------|
| Antonov A,         | 0,70        | A        | 0,90        | sell        | 0,76        | 2,          | ▼        |
| Babaev N,          | 1,00        | A        | 0,52        | sell        | 1,00        | 2,52        |          |
| Filitov M,         | 0,02        | A        | 0,48        | sell        | 0,62        | 1,12        |          |
| Gabdakhmanov I,    | 0,85        | A        | 0,57        | sell        | 0,90        | 2,32        | 1        |
| Genuardi A,        | 0,90        | A        | 0,77        | sell        | 0,76        | 2,42        | 2        |
| <b>Goikhman B,</b> | <b>0,82</b> | <b>A</b> | <b>0,90</b> | <b>sell</b> | <b>0,97</b> | <b>2,68</b> | <b>3</b> |
| Klepach A,         | 0,83        | A        | 0,66        | sell        | 0,52        | 2,01        |          |
| Konovalova N,      | 0,95        | A        | 0,72        | sell        | 0,69        | 2,36        |          |
| Korzh D,           | 0,75        | A        | 0,24        | sell        | 0,55        | 1,54        |          |
| Kulikov L,         | 0,70        | A        | 0,66        | sell        | 0,59        | 1,94        |          |
| Kuznetsov M,       | 0,83        | A        | 0,86        | sell        | 0,69        | 2,38        |          |
| Leshchey D,        | 0,80        | A        | 1,00        | sell        | 0,69        | 2,49        |          |
| Maksimova E,       | 0,68        | A        | 0,62        | sell        | 0,69        | 1,99        |          |
| Matiunin V,        | 0,67        | A        | 0,24        | sell        | 0,66        | 1,56        |          |
| Nurtay B,          | 0,72        | A        | 0,37        | sell        | 0,69        | 1,77        |          |
| Olisov D,          | 0,60        | T        | 0,27        | buy         | 0,75        | 1,62        |          |
| Onlabek K,         | 0,58        | T        | 0,46        | buy         | 0,68        | 1,73        |          |
| Ponomarev I,       | 0,65        | T        | 0,50        | buy         | 0,52        | 1,67        |          |
| Pudyakov Y,        | 0,97        | T        | 0,42        | buy         | 0,83        | 2,22        |          |
| Radionova E,       | 0,80        | T        | 0,31        | buy         | 0,58        | 1,69        |          |
| Rogozheva A,       | 0,77        | T        | 0,27        | buy         | 0,68        | 1,72        |          |
| Savinykh A,        | 0,77        | T        | 0,37        | buy         | 0,54        | 1,67        |          |
| Shatalov P,        | 0,77        | T        | 0,33        | buy         | 1,00        | 2,10        |          |
| Shushkova V,       | 0,65        | T        | 0,00        | buy         | 0,75        | 1,40        |          |
| Shutov G,          | 0,78        | T        | 0,37        | buy         | 0,94        | 2,09        |          |
| Smirnova A,        | 0,82        | T        | 0,28        | buy         | 0,88        | 1,98        |          |
| Toboeva N,         | 0,63        | T        | 0,24        | buy         | 0,75        | 1,62        |          |
| Ustimchuk D,       | 0,67        | T        | 0,39        | buy         | 0,75        | 1,80        |          |
| Yermekova A,       | 0,38        | T        | 1,00        | buy         | 0,75        | 2,13        |          |
| Zverev D,          | 0,87        | T        | 0,65        | buy         | 0,79        | 2,31        |          |

- Boris Goikhman
  - Steady move
- Nikolas Babaev
  - Two wins non random
- Alessandro Genuardi
  - Steady moral
- Vitaly Matiunin
  - guess what happened
- Varvara Shushkova
  - The bomber path
- Mikhail Filitov
  - Is it pleasant to be the last?

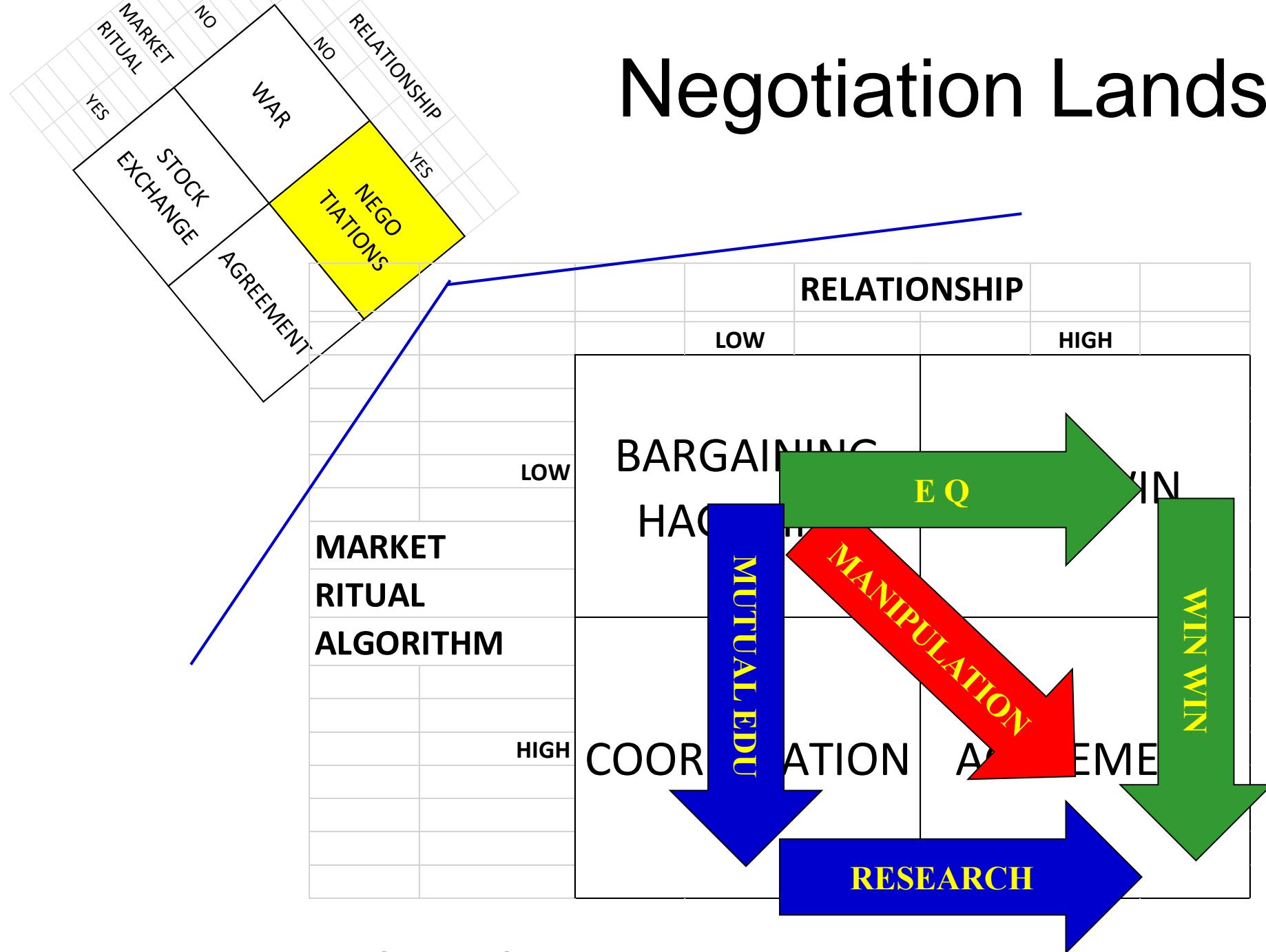
- Negotiation = agreement in the context of relationship, but in the absence of market/social order or ritual
- At some point, each human interaction becomes like that
  - Even if I sell you an apple, I share with you the piece of my karma and eternal soul, so lets negotiate

|        |     | RELATIONSHIP   |               |
|--------|-----|----------------|---------------|
|        |     | NO             | YES           |
| MARKET | NO  | WAR            | NEGO TIATIONS |
|        | YES | STOCK EXCHANGE | AGREEMENT     |
| RITUAL | NO  | WARRIOR        | PEACE         |
|        | YES | TRADITION      | CEREMONY      |

# Negotiation Landscape



# Negotiation Landscape



# *Positional Haggling is quick charisma (EQ) fight in the absence of information*

- In positional negotiations (aka bargaining or haggling) **the one who proposes the first, mostly looses**

- If you is forced to propose first, anchor the beneficial result – **START HIGH**



- **The best predictor of negotiation success is preparation**

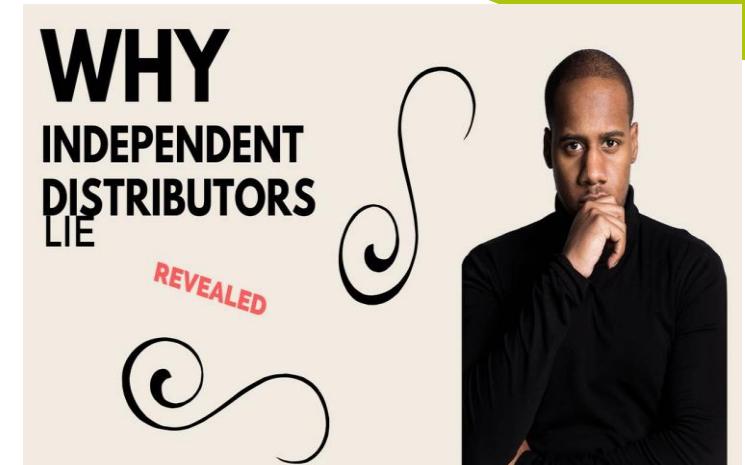
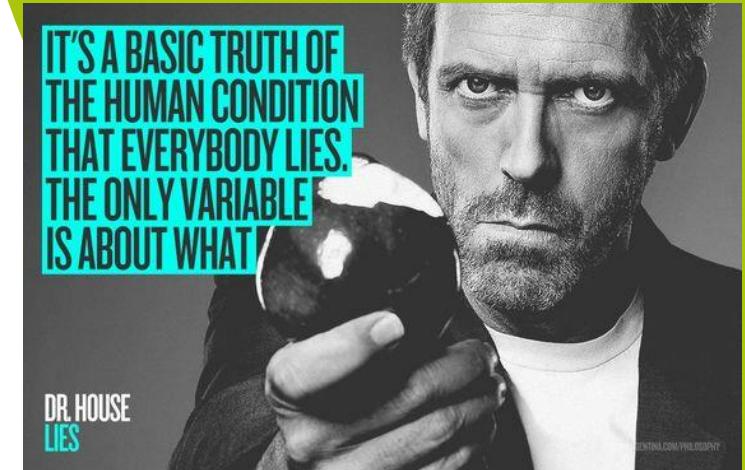
- If you have no chance to validate your counteragent words, your only hope is EQ

- Work on validation and mercy:
  - active listening-empathy-rapport



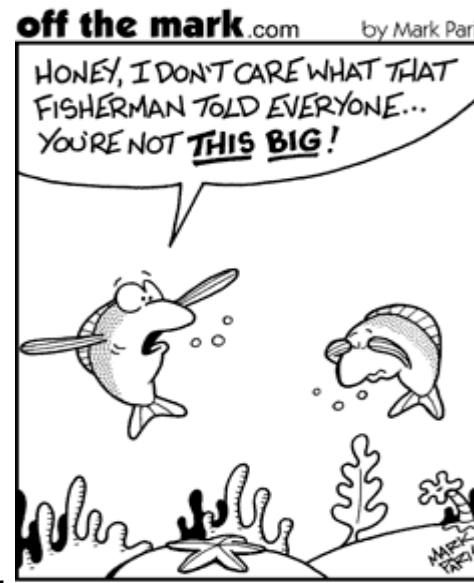
# Bargaining Day feedback

- Can I survive without lies?
  - Yep. You politely accept everything and never make an offer. But you loose time
- Do you recommend us to lie?  
Do people often lie in business?
  - People never lie. People accept the producer job.
    - In the morning you tell the movie investor that the film will be a guaranteed success. In the evening you tell the previous investor that no one can forecast the success of the movie
      - If you do not do this job, no movies will be produced
- It was interesting to manipulate, but it gets boring
  - Yep. No more straight bargaining. No more F2F manipulations: in real life you always depend on a big group and bound by relationships
    - **Relationships are everywhere so straight bargaining is a rare and fine art**
    - **But you wont be successful without it**



# TYPES OF DECEPTION AND MANIPULATION

- They look different, but they are all the same EQ tools:
  - Outright aggression
  - Blockade/boycotte
  - Tacit threats and blackmailing
  - Shrewd talk:
    - Falsification
    - Exaggeration
    - Omission
    - Equivocation



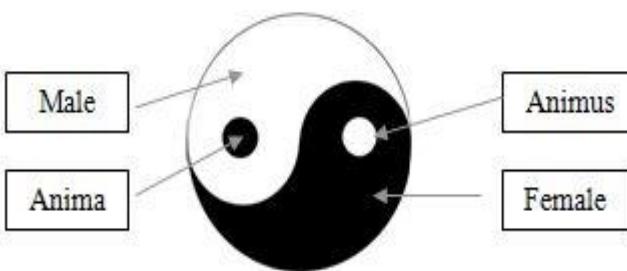
Tall, Dark, and Handsome chats with Buxom Blonde.

# *From bargaining to coordination*

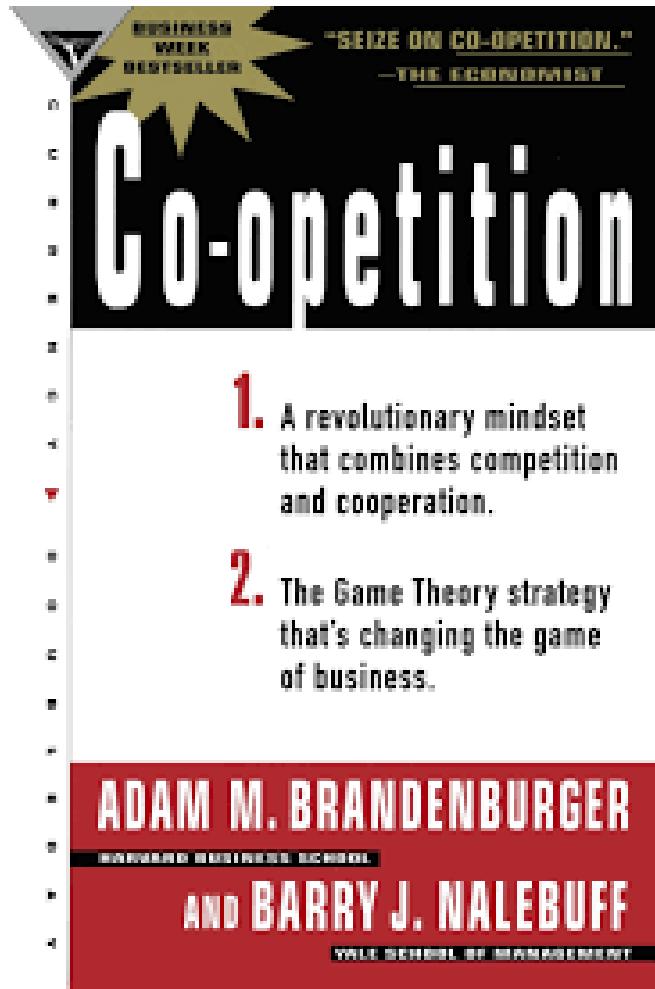
- Positional bargaining is ugly
  - Animus said 30, Animus fights for 30
  - Fighting means deception, manipulation and all other killers of relationship
- **Coordination**



Thanks to compromise they were moving closer.



# Coordination is not exactly Cooperation



# ISP-2021: Negotiation Games

Day 3: The world famous illusion of  
**WIN WIN**

You gotta talk less and put more effort. You gotta bloody work for it !

January 21, 2021

Dmitry Kulish

Skoltech

# THE WORLD FAMOUS ILLUSION OF

**WIN - WIN**

Dmitry Kulish

Skoltech

|   | game               | Ultim       | SellCo | HRTS | grade1 | OIL   | total       |
|---|--------------------|-------------|--------|------|--------|-------|-------------|
| 1 | Antonov A,         | 0,70        | 0,90   | 0,76 | 1      | 0,04  | 3, ▾        |
| 2 | Babaev N,          | 1,00        | 0,52   | 1,00 | 0,37   | 0,04  | 2,93        |
| 3 | Filitov M,         | 0,02        | 0,48   | 0,62 | 0,44   | 0,10  | 1,66        |
|   | Gabdakhmanov I,    | 0,85        | 0,57   | 0,90 | 0,41   | 0,10  | 2,83        |
|   | Genuardi A,        | 0,90        | 0,77   | 0,76 | 0,24   | 0,59  | 3,25        |
|   | <b>Goikhman B,</b> | <b>0,82</b> |        |      | 1      | 0,59  | <b>4,27</b> |
|   | Klepach A,         | 0,83        | 0,66   | 0,52 | 0,2    | 0,45  | 2,65        |
|   | Konovalova N,      | 0,95        | 0,72   | 0,69 | 0,8    | 0,45  | 3,61        |
|   | Korzh D,           | 0,75        | 0,00   | 0,55 | 0,6    | 0,44  | 2,34        |
|   | Kulikov L,         | 0,70        | 0,66   | 0,59 | 0,8    | 0,44  | 3,18        |
|   | Kuznetsov M,       | 0,83        | 0,86   | 0,69 | 1      | 0,41  | 3,79        |
|   | Leshchev D,        | 0,80        | 1,00   | 0,69 | 0,8    | 0,41  | 3,70        |
|   | Maksimova E,       | 0,68        | 0,62   | 0,69 | 0,14   | 0,44  | 2,57        |
|   | Matiunin V,        | 0,67        | 0,24   | 0,66 | 0,71   | 0,44  | 2,71        |
|   | Nurtay B,          | 0,72        | 0,37   | 0,69 | 1      | 0,44  | 3,21        |
|   | Olisov D,          | 0,60        | 0,27   | 0,75 | 0,29   | 0,44  | 2,34        |
|   | Onlabek K,         | 0,58        | 0,46   | 0,68 | 0,71   | 0,43  | 2,86        |
|   | Ponomarev I,       | 0,65        | 0,50   | 0,52 | 0,29   | 0,43  | 2,38        |
|   | Pudyakov Y,        | 0,97        | 0,42   | 0,83 | 0,18   | 0,93  | 3,33        |
|   | Radionova E,       | 0,80        | 0,31   | 0,58 | 0,64   | 0,93  | 3,26        |
|   | Rogozheva A,       | 0,77        | 0,27   | 0,68 | 0,55   | 1,00  | 3,27        |
|   | Savinykh A,        | 0,77        | 0,37   | 0,54 | 0,55   | 1,00  | 3,22        |
|   | Shatalov P,        | 0,77        | 0,33   | 1,00 | 0,9    | 0,03  | 3,03        |
|   | Shushkova V,       | 0,65        | 0,00   | 0,75 | 0,33   | 0,03  | 1,76        |
|   | Shutov G,          | 0,78        | 0,37   | 0,94 | 0,38   | 0,17  | 2,63        |
|   | Smirnova A,        | 0,82        | 0,28   | 0,88 | 0,15   | 0,17  | 2,29        |
|   | Toboeva N,         | 0,63        | 0,24   | 0,75 | 0,77   | -0,12 | 2,28        |
|   | Ustimchuk D,       | 0,67        | 0,39   | 0,75 | 0,69   | -0,12 | 2,38        |
|   | Yermekova A,       | 0,38        | 1,00   | 0,75 | 1      | -0,02 | 3,12        |
|   | Zverev D,          | 0,87        | 0,65   | 0,79 | 0,69   | -0,02 | 2,98        |

## • Boris Goikhman

- What is your secret?

## • Nikolas Babaev

- What went wrong with oil?

## • Mikhail Kuznetsov

- Do you want to win ?

## • Dmitry Leshchev

- Doing well while doing good

## • Alessandro Genuardi

- Will you survive the oil trick?

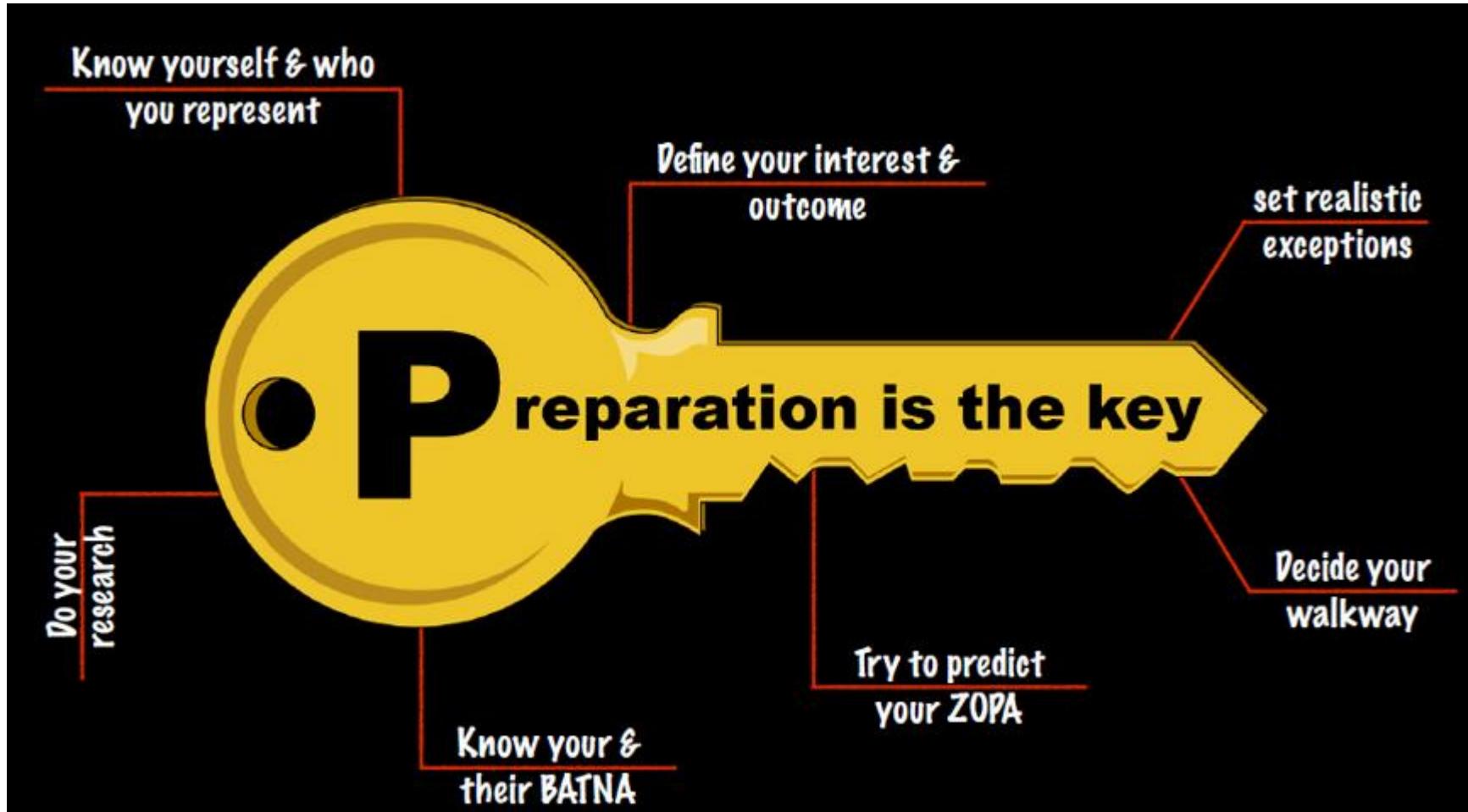
## • Pudyakov-Radionova-Rogozheva-Savinykh

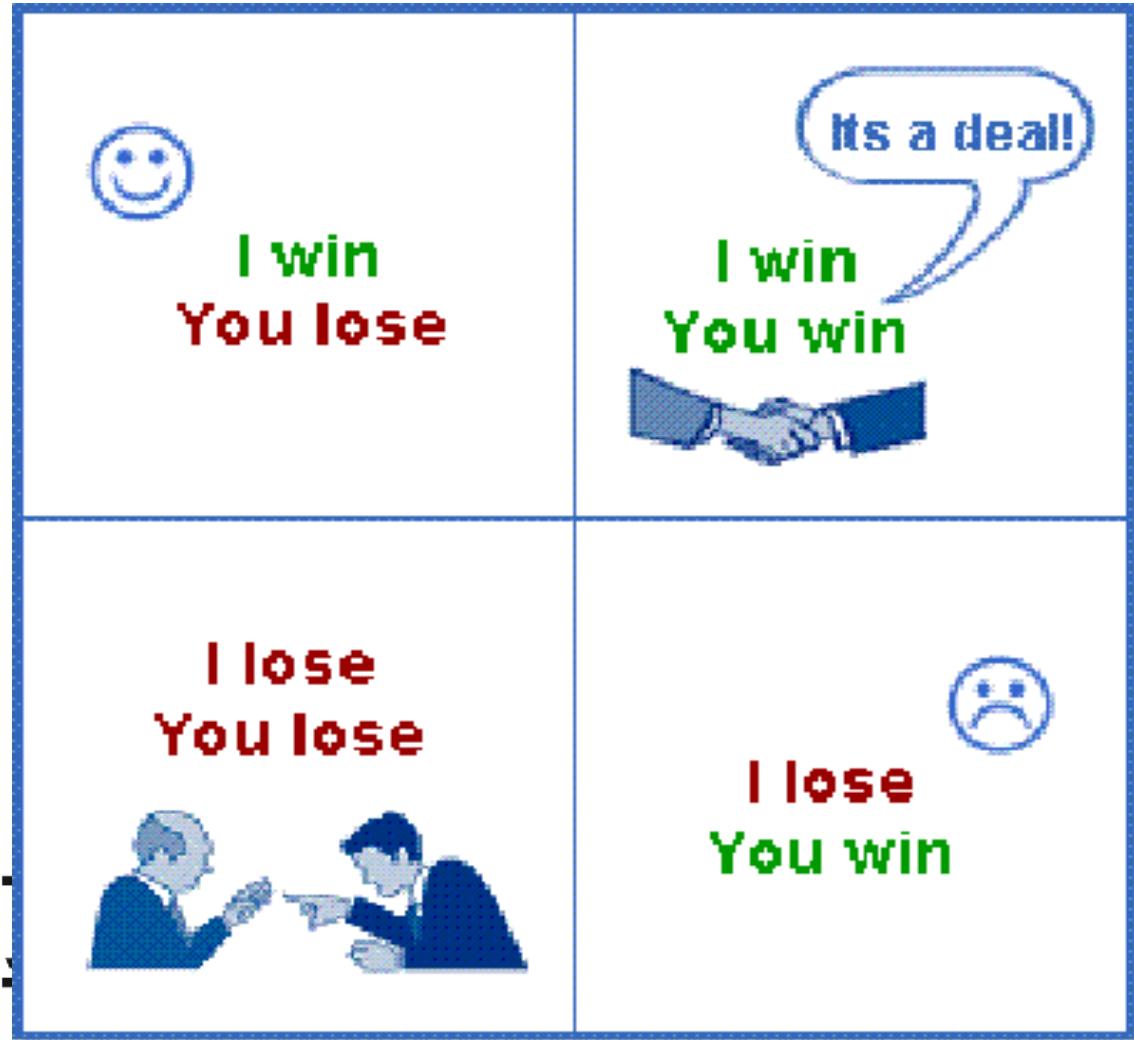
- Three games to push! **It is your day !**

## • Varvara Shushkova & Mikhail Filitov

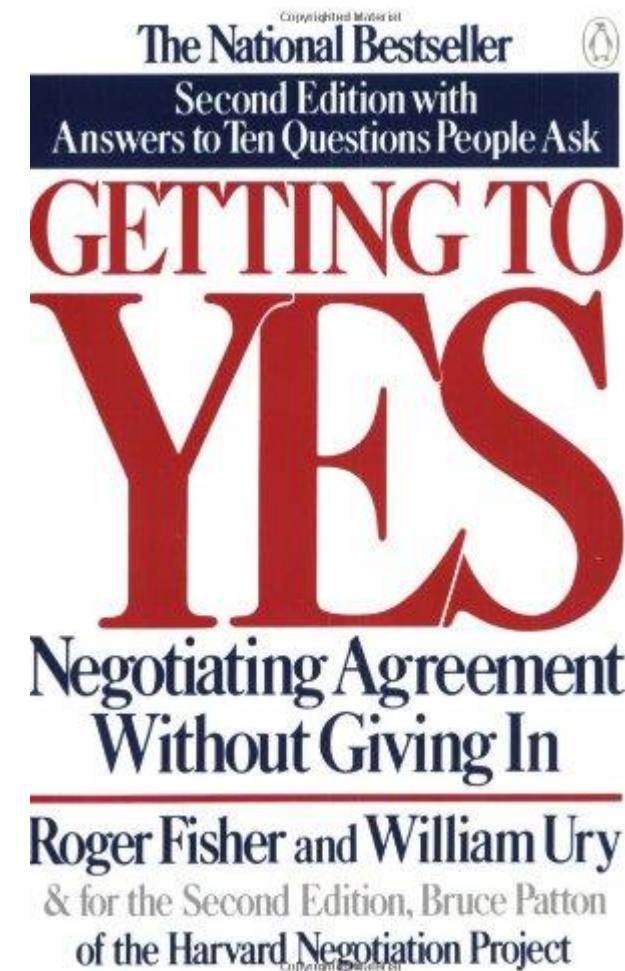
- No worries

# No rush ! BATNAs, Anchors, Goals



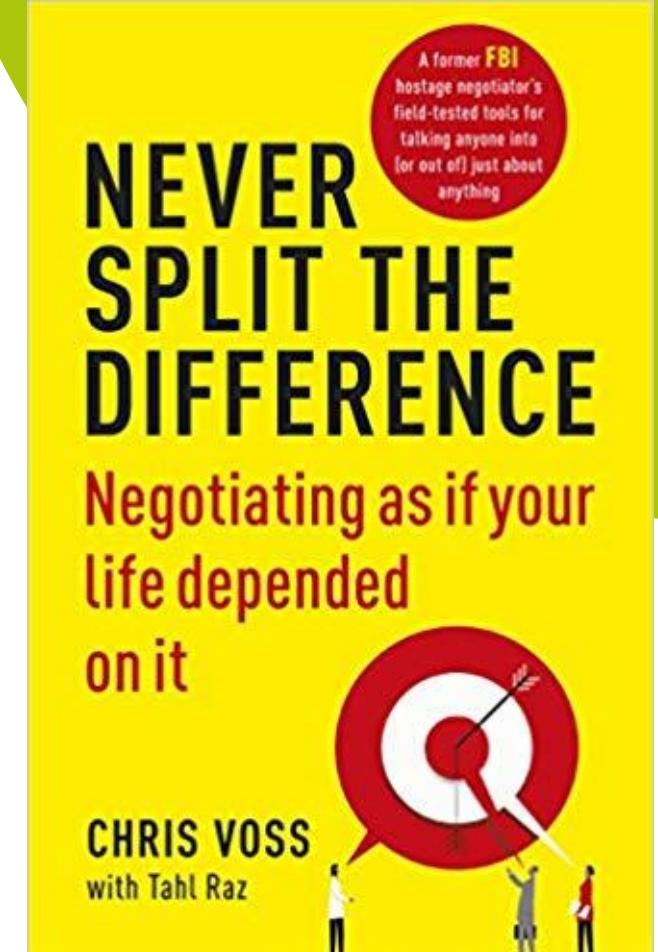


S



# MONEY CONUNDRUM AGAIN

- If you are 50-50 person and believe that all money should be split equally, you got no chance to ask for any venture financing because:
  1. you believe you are no better the others.
    - If you would not believe so, you must have grabbed resources for your perusal because it is socially beneficial to provide resources to the best ppl
  2. you won't be able to comply to your investor request to maximize value
    - You will just give the money out an proudly go to jail for fraud and the breach of your fiduciary duty
- **Independently of your own beliefs you should always expect that your counteragents believe that they bring more value to society then you and that they are bound by obligations towards others**



- Know your BATNA
  - You will need it if you wise enough to relax and let go your position
- Seek for the partner BATNA
  - Know ZOPA
  - Fight for fair sharing of ZOPA
    - Define DO YOU KNOW YOUR BATNA?

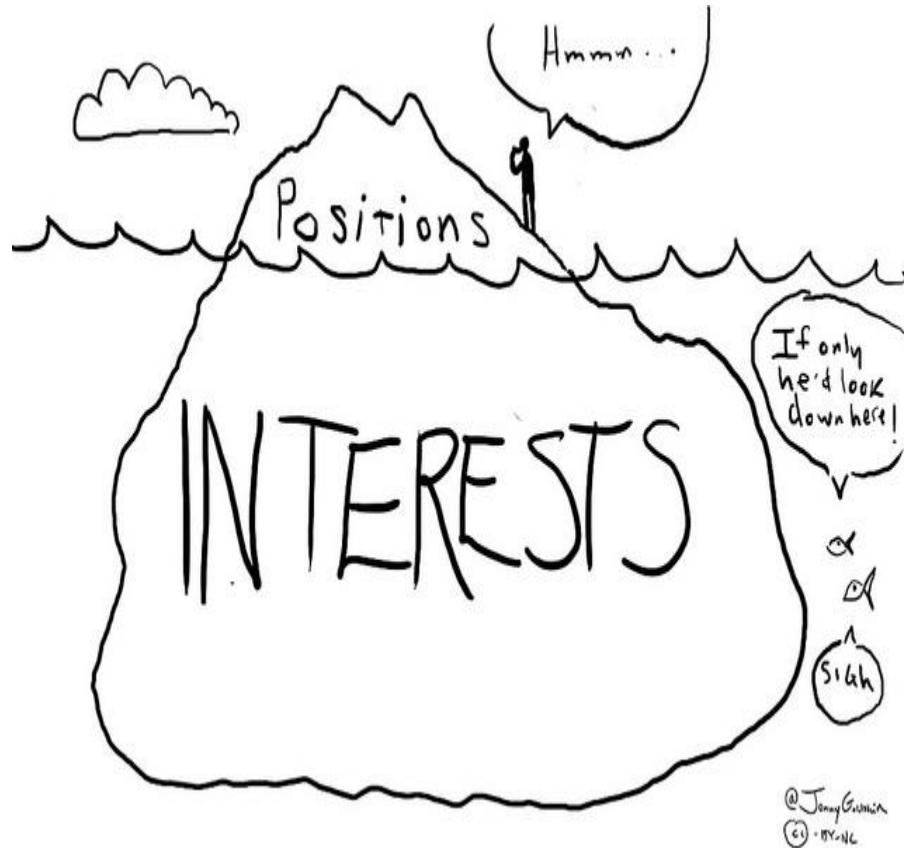
The more extreme the opening positions and the smaller the concessions, the more time and effort it will take to discover whether or not agreement is possible.

Roger Fisher - Getting to Yes

[arandomquote.com](http://arandomquote.com)



# Define FAIR BATNA and splitting ZOPA



MY HOBBY:  
PEACE NEGOTIATIONS

# ICARUS GAME

- If you care and make an effort, you enhance not only your outcome, but also the outcome of the group
  - **The latter may be more important for your success than the former**
  - **There is no money beyond money/ За деньгами стоят не деньги**

| IF YOU DO NOT CARE YOU KILL VALUE NOT ONLY FOR YOU BUT ALSO FOR OTHER PEOPLE |                    |                    |                    |
|------------------------------------------------------------------------------|--------------------|--------------------|--------------------|
|                                                                              |                    | <b>WORST VALUE</b> |                    |
| Dejan Dzunja                                                                 | 3540               | 1050               | Polina Pilyugina   |
| Daniil Chesakov                                                              |                    |                    | Anna Araslanova    |
|                                                                              |                    | <b>BEST VALUE</b>  | <b>BEST VALUE</b>  |
| Viktoriia Snorovikhina                                                       | 3980               | 1550               | Bulat Khabibullin  |
| Alena Alekseeva                                                              |                    |                    | Natalia Trankova   |
|                                                                              | <b>WORST VALUE</b> |                    |                    |
| Maria Merkulova                                                              | 2760               | 1850               | Mikhail FROLOv     |
| Edema Hilary                                                                 |                    |                    | Victoria Yursa     |
|                                                                              |                    |                    | <b>WORST VALUE</b> |
| Astrakhantseva Anna                                                          | 3120               | 1300               | Nikolay Shvetsov   |
| Stulov Nikolay                                                               |                    |                    | Kirill Sherbakov   |
|                                                                              | <b>BEST VALUE</b>  |                    |                    |
| Semenyakin, Chumika, Medvedeva                                               | 4160               | 1150               | Demidov, Aleshina  |
|                                                                              |                    |                    | 5310               |

# INCREMENTAL SCIENTIFIC AGILE PROBATIONARY OFFER

- How you search for something unknown while taking risk?



- **INCREMENTALLY**

- Hypothesis
- Experiment
- Conclusion
- GNG decision

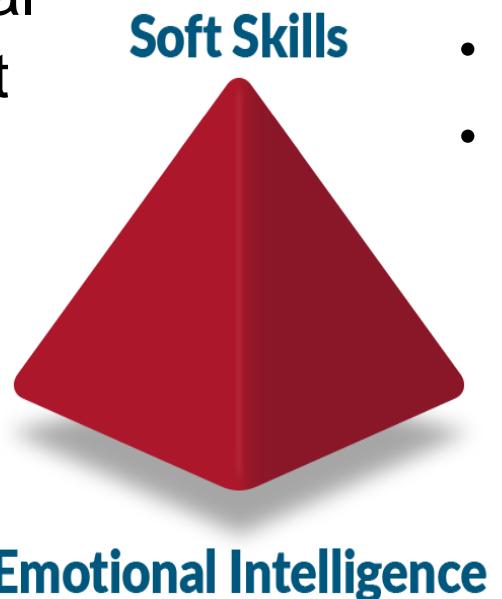


- **The smaller the step the lesser the risk**

- Very successful people are very incremental
- 100 small steps are always better than 1 large step
- Yes! Tedious, boring, difficult. Seatbelts save lives.

# THE ONLY ANSWER TO ALL QUESTIONS

- Make slow incremental steps towards your goal while detecting feedback and deception
    - Destress
    - Reestablish goal
    - Move towards it
  - Operate EQ
- Self-awareness
  - Self-management
  - Social awareness
  - Social management
    - Active listening
    - Empathy
    - Rapport
    - SCARF



- In positional negotiations (aka bargaining or haggling) **the one who proposes the first, mostly looses**



- If you is forced to propose first, anchor the beneficial result – **START HIGH**
- **The best predictor of negotiation success is preparation**
- If you have no chance to validate your counteragent words, your only hope is EQ
- Work on validation and mercy:
  - active listening-empathy-rapport



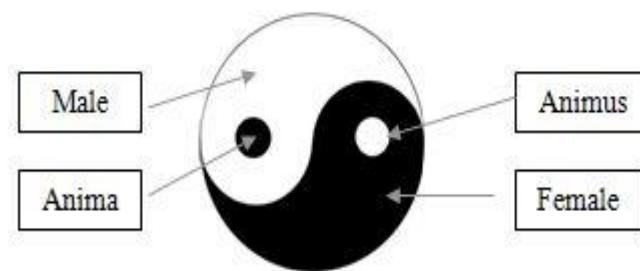
- Positional bargaining is ugly
  - Animus said 30, Animus fights for 30
  - Fighting means deception, manipulation and all other killers of relationship

- **Coordination**

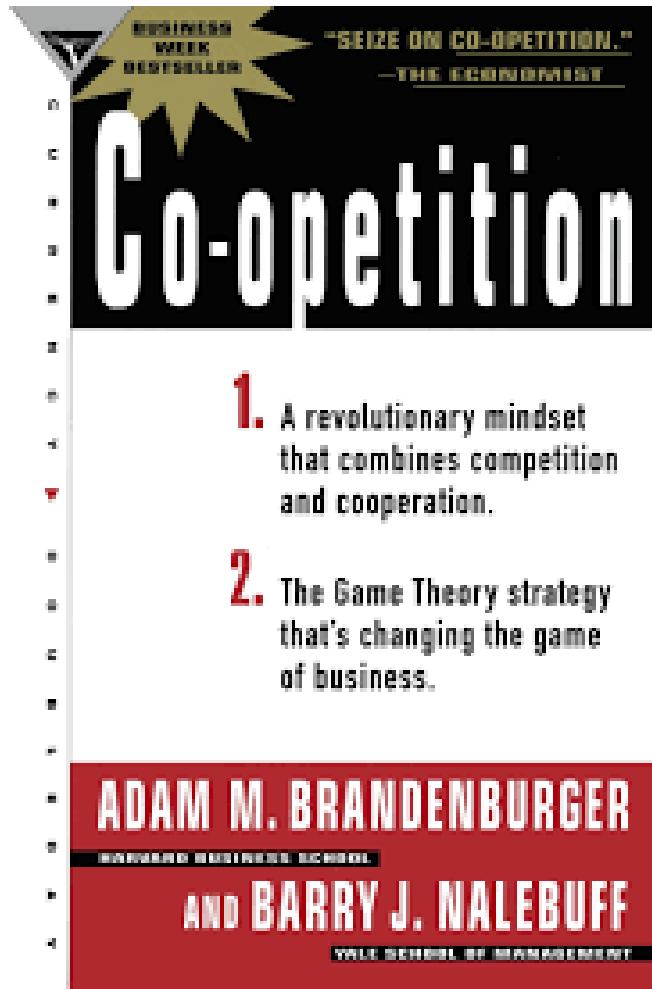
- Anima says lets talk about it and find mutually acceptable solution
- Listening to Anima is helpful, but tough



Thanks to compromise they were moving closer.



# Coordination is not exactly Cooperation



- **EMOTIONAL FEEDBACK LOOPS**

- Fears: imaginary and real
- Prisoner dilemma insecurity

- **PSYCHOLOGICAL BIASES (inside)**

- Bazerman: ambiguity aversion, attachment to anchor, approval, social comparison, familiarity

- **ORCHESTRATED MANIPULATIONS (outside)**

- Good cop – Bad cop
- Last minute concession
- Post-settlement settlement
- Juggling authority
- Escalation



**Anchoring bias.**

People are **over-reliant** on the first piece of information they hear. In a salary negotiation, whoever makes the first offer establishes a range of reasonable possibilities in each person's mind.

**Availability heuristic.**

People **overestimate the importance** of information that is available to them. A person might argue that smoking is not unhealthy because they know someone who lived to 100 and smoked three packs a day.

**Bandwagon effect.**

The probability of one person adopting a belief increases based on the number of people who hold that belief. This is a powerful form of **groupthink** and is reason why meetings are often unproductive.

**Blind-spot bias.**

**Failing to recognize** your own cognitive biases is a bias in itself. People notice cognitive and motivational biases much more in others than in themselves.

**Choice-supportive bias.**

When you choose something, you tend to feel positive about it, even if that **choice has flaws**. Like how you think your dog is awesome — even if it bites people every once in a while.

**Clustering illusion.**

This is the tendency to **see patterns in random events**. It is key to various gambling fallacies, like the idea that red is more or less likely to turn up on a roulette table after a string of reds.

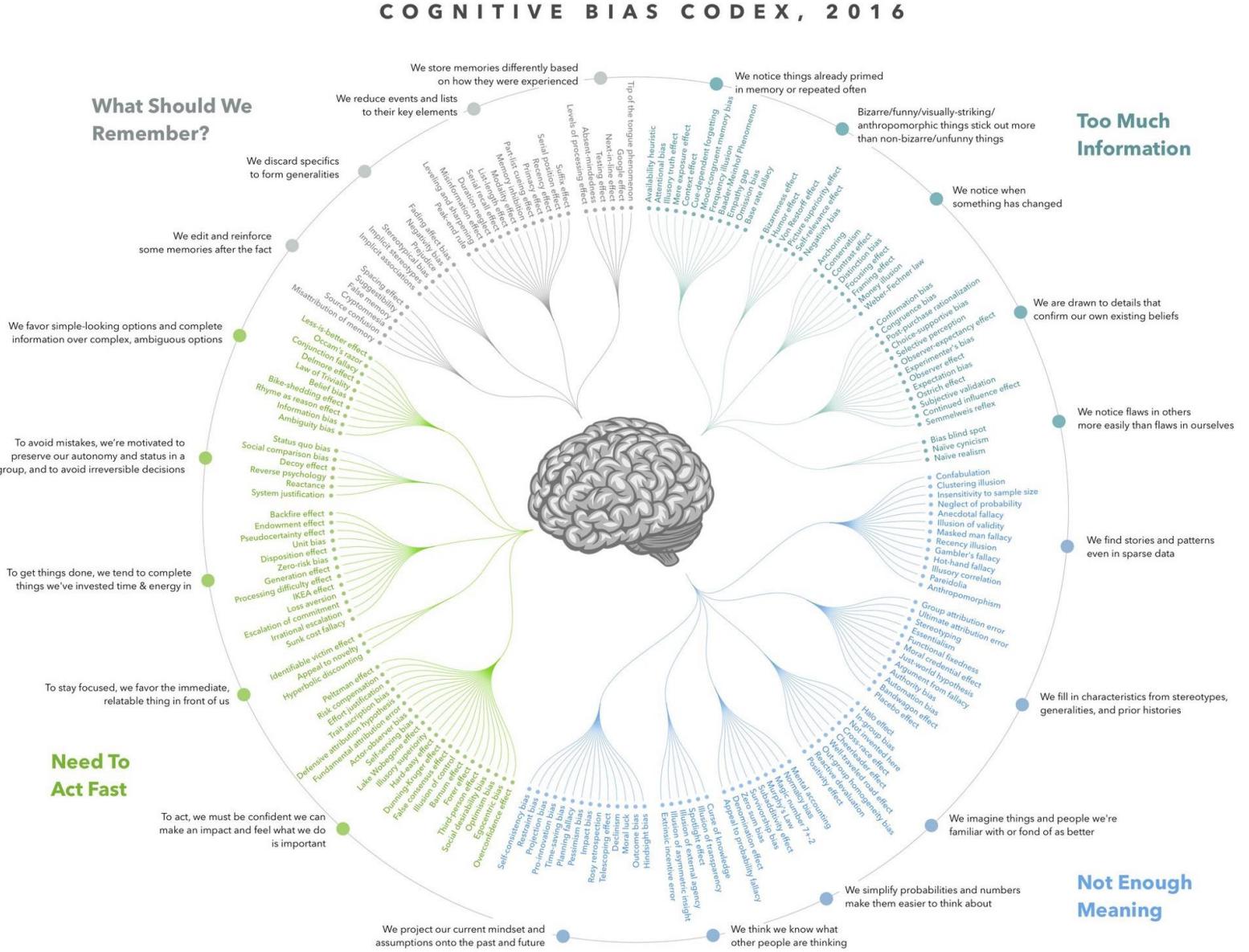
**Confirmation bias.**

We tend to listen only to information that confirms our **preconceptions** — one of the many reasons it's so hard to have an intelligent conversation about climate change.

**Conservatism bias.**

Where people favor prior evidence over new evidence or information that has emerged. People were **slow to accept** that the Earth was round because they maintained their earlier understanding that the planet was flat.





ALGORITHMIC LAYOUT + DESIGN BY JM3 · JOHN MANOOGIAN III // CONCEPT + METICULOUS CATEGORIZATION BY BUSTER BENSON // DEEP RESEARCH BY WIKIPIEDIANS FAR + WIDE

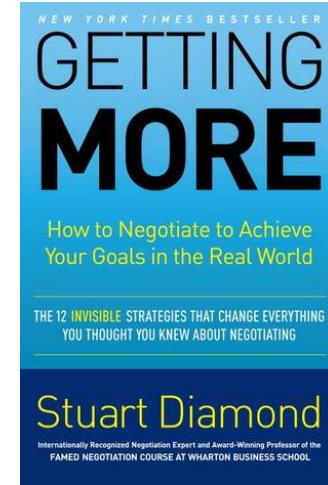
- **What we do for many years?**

- Seeking alternatives
- Reinforcing leverage
- Logic
- Threats
- Walking Out
- BATNA
- Win-Win



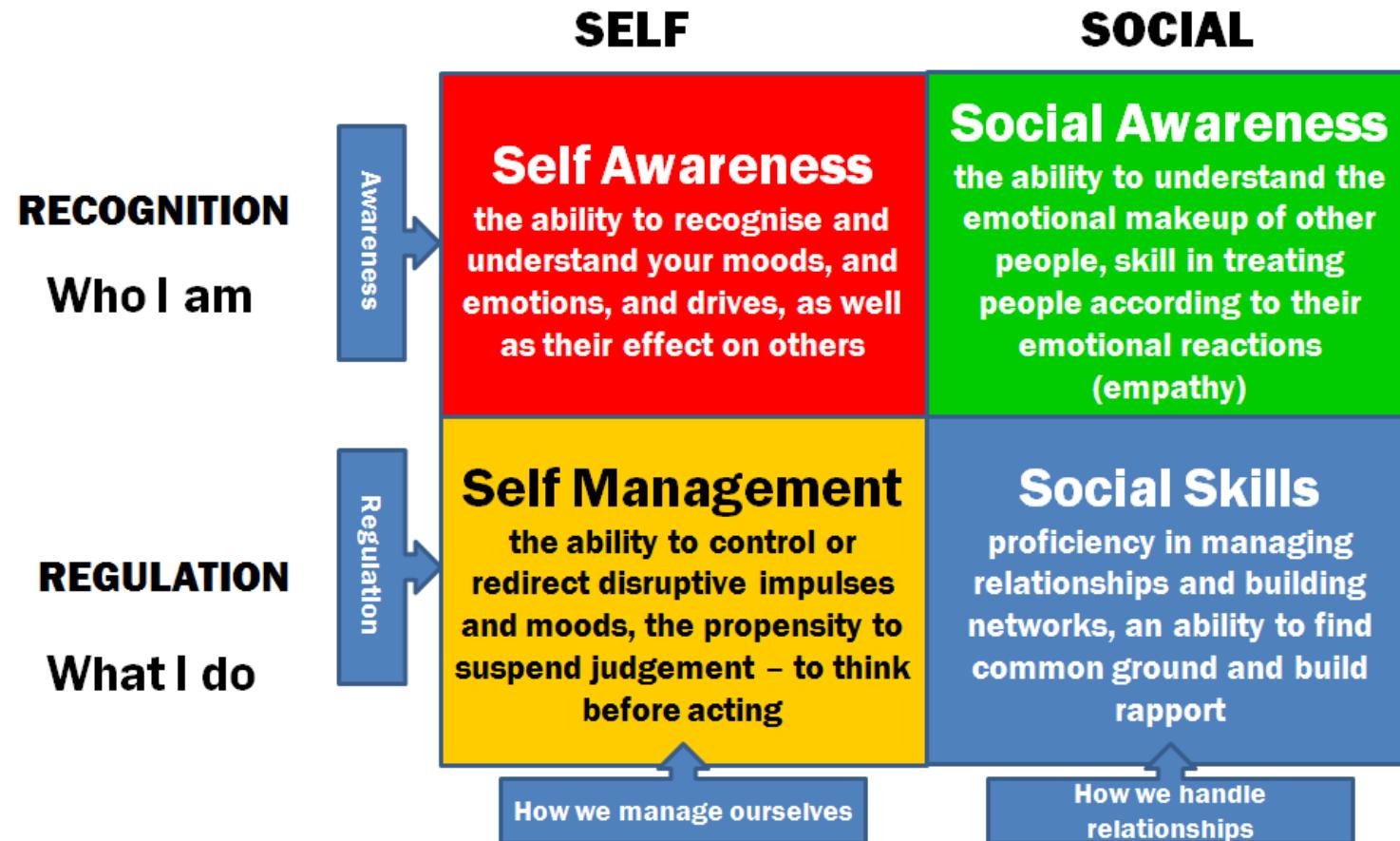
- **Should you try better and go to the next level?**

- Human interaction
- Emotional intelligence
- Cultural diversity
- Understanding and valuing the other party's perceptions, that is, **the pictures in their heads**



# EQ is in the root of everything

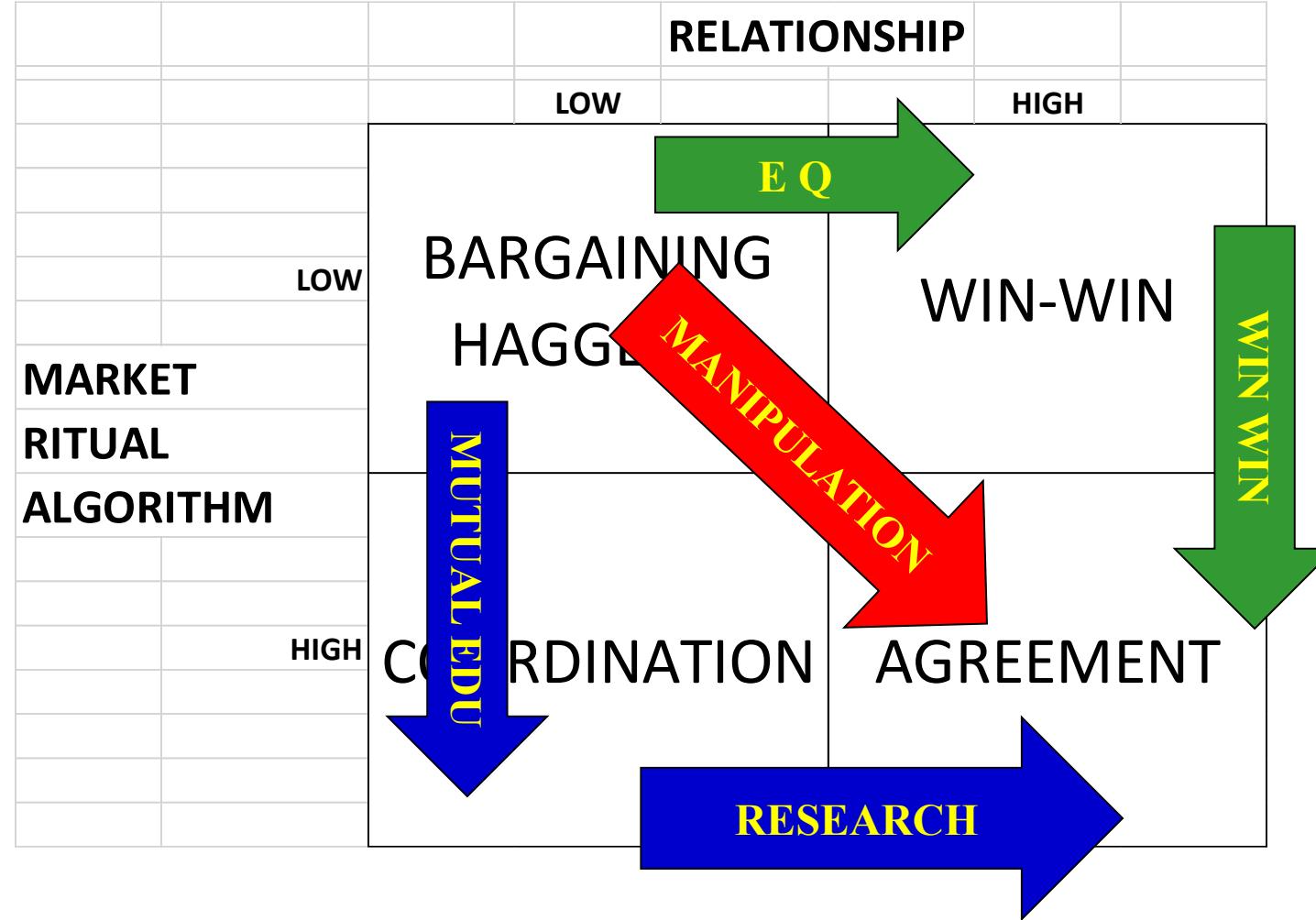
## Emotional Intelligence



- Even after being defined, negotiations turn out to be multifaceted
- It is your job to figure out in which corner you are

|           |             | RELATIONSHIP |      |                           |  |  |  |
|-----------|-------------|--------------|------|---------------------------|--|--|--|
|           |             | LOW          | HIGH |                           |  |  |  |
|           |             |              |      |                           |  |  |  |
| RULES     | LOW         | BARGAINING   |      |                           |  |  |  |
|           | FREE MARKET | HAGGLING     |      |                           |  |  |  |
|           | RITUAL      | WAR          |      |                           |  |  |  |
|           | HIGH        | COORDINATION |      | SOCIAL CONTRACT           |  |  |  |
| AWARENESS | LOW         | BARGAINING   |      | PICTURE IN THEIR HEADS    |  |  |  |
|           | FREE MARKET | HAGGLING     |      |                           |  |  |  |
|           | RITUAL      | WAR          |      |                           |  |  |  |
|           | HIGH        | COORDINATION |      | SOCIAL CONTRACT (WIN WIN) |  |  |  |

# Negotiation Landscape



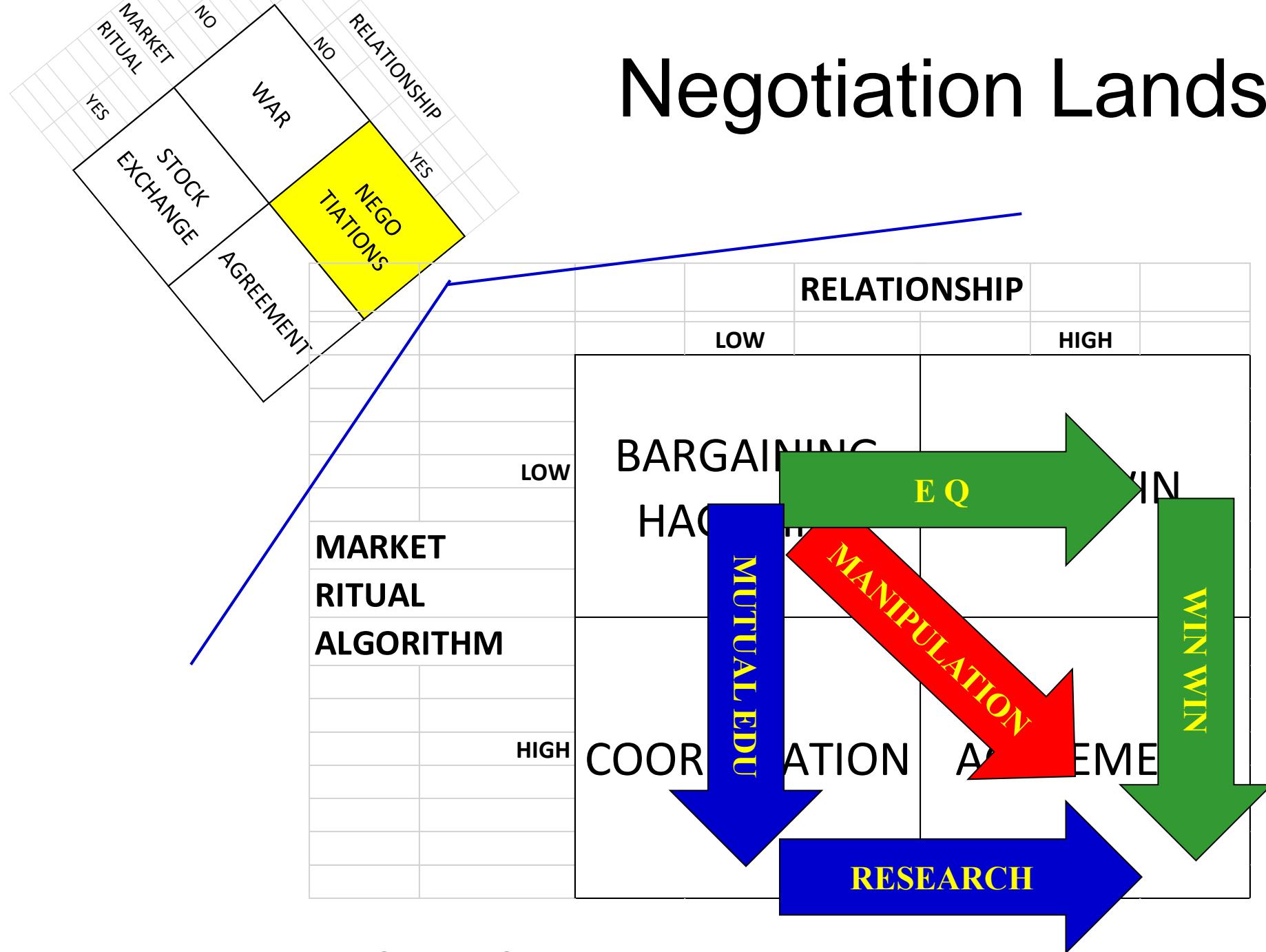
# Negotiation Skills coming from games

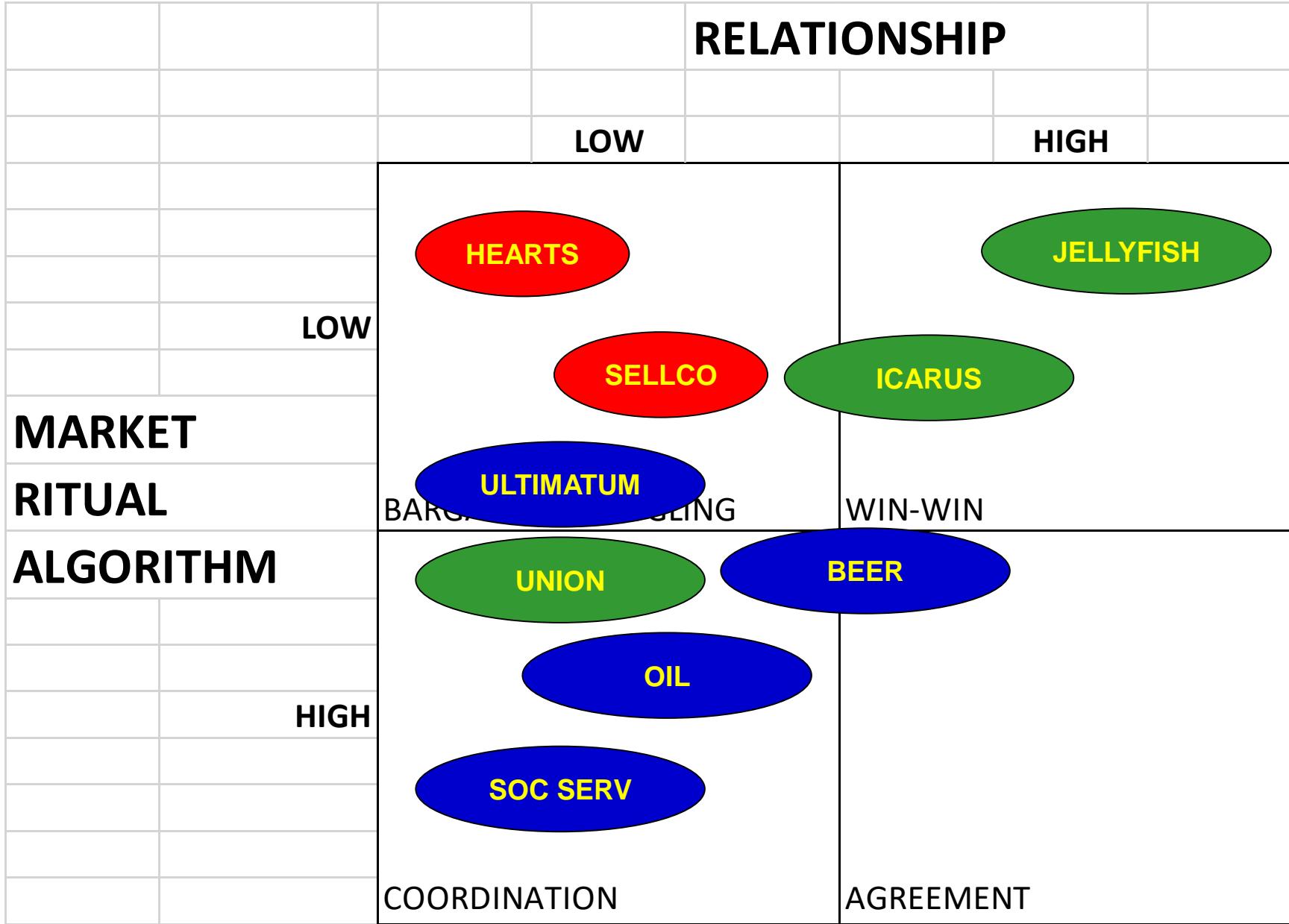


- **TOPICS COVERED**
- Understanding the interests, priorities, and goals of all parties
- Maximizing opportunity through pre-negotiation preparation
- Knowing how personal biases and cultural differences impact negotiations
- Dealing with irrational people and challenging relationships
- Improving communication by listening and asking questions
- Making offers and concessions at the right time and in the right way
- Transforming competition into cooperation—and opponents into partners
- Recognizing when to walk away from the table

- 1. Analyze and cultivate your BATNA.
- 2. Negotiate the process. Do not manipulate.
- 3. Build rapport. Find out the picture in their head.
- 4. Move incrementally.
- 5. Ask good questions.
- 6. Search for smart tradeoffs (win-win). Do not lie.
- 7. Be aware. Anchoring bias and all other psycho stuff
- 8. Present multiple equivalent offers simultaneously
- 10. Plan for the implementation stage. Now what?

# Negotiation Landscape





# LAST OPP TO SHARE and

| Day | Exercise         | Topic                                     |
|-----|------------------|-------------------------------------------|
| 1   | Hearts           | Symmetric bargaining                      |
| 1   | Selling a Co     | Asymmetric bargaining                     |
| 1   | Ultimatum        | Asymmetric coordination                   |
| 1   | Damon Centola    | Symmetric coordination                    |
| 2   | Social Services  | Hard rational coordination                |
| 2   | Oil Game         | Coordination in social trap               |
| 2   | Beer Game + ER   | Creative coordination                     |
| 3   | Icarus           | Win-Win effort                            |
| 3   | Union City       | Win-Win group effort                      |
| 3   | Zhmurki          | Win-Win effort                            |
| 3   | Jelly fish       | Win-Win + Hardcore Multiplayer Bargaining |
| 3   | Keynesian Beauty | Picture in their heads                    |

# Leadership 4 Innovators: Salary Negotiations

December 18, 2019

Dmitry Kulish

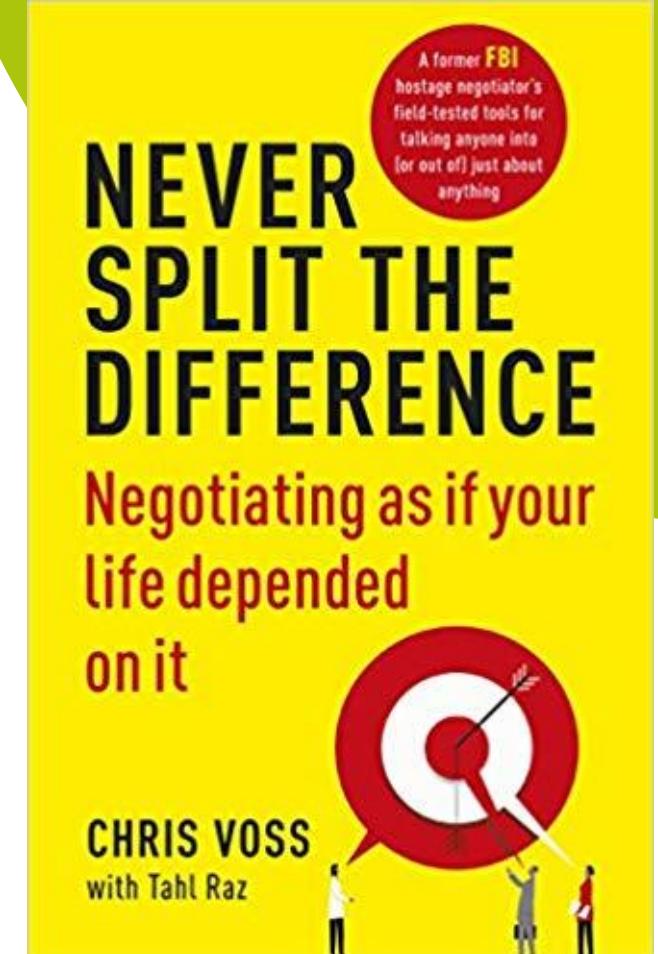
Skoltech

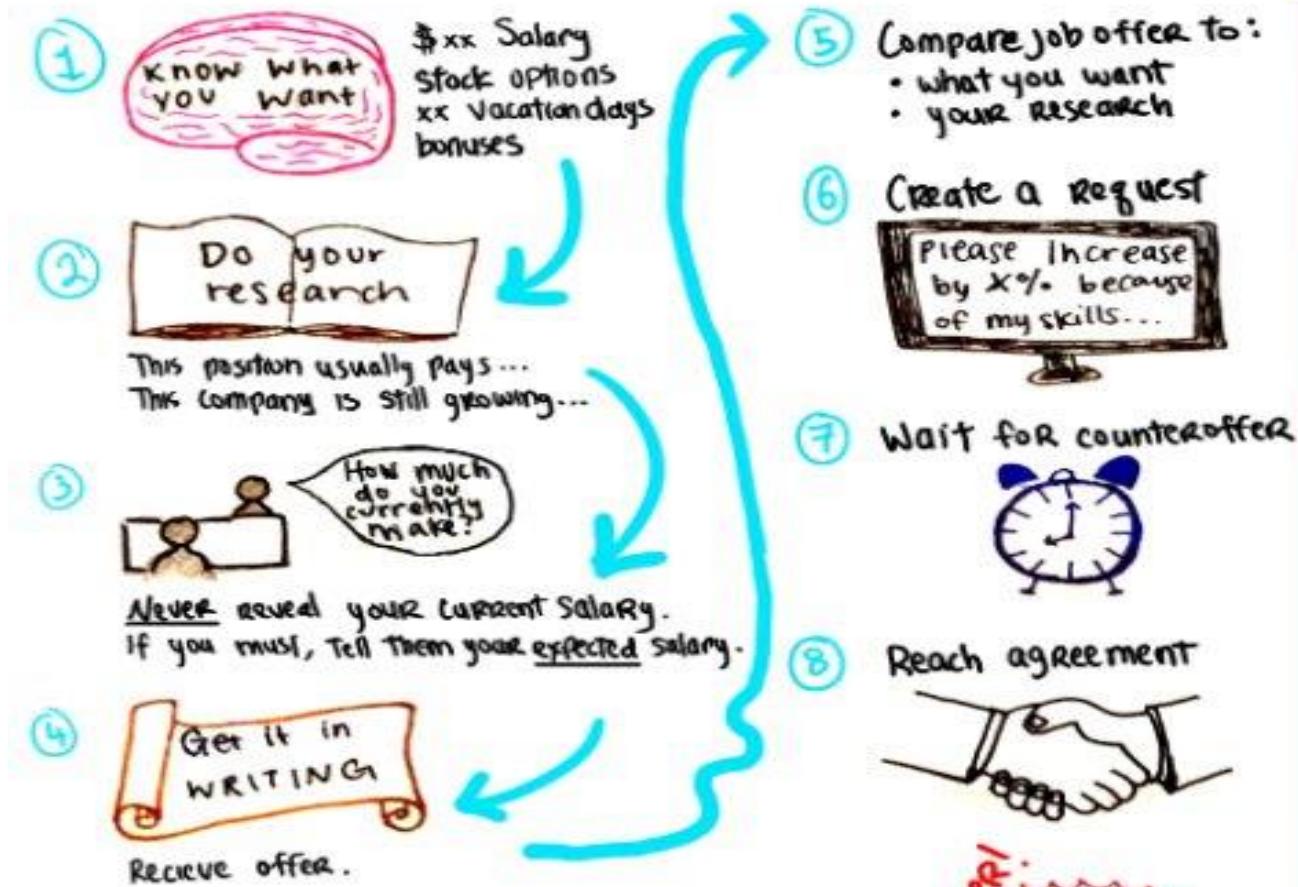
# YOUR COMING NEGOTIATIONS

- **Most important: Selling or receiving equity in startup**
  - True dramatic negotiation: each learning of this course applies
    - Bargain
    - Coordinate
    - Win-Win
- **Most currently coming: Salary negotiation**
  - Conceptually the same as previous, but the price of mistake is less so you may take more risks with anchoring and pushing
- **Most enduring: your domestic and business partners:**
  - No Bargaining, No coordination
    - only WIN-WIN + EQ

# MONEY CONUNDRUM AGAIN

- If you are 50-50 person and believe that all money should be split equally, you got no chance to ask for any venture financing because:
  1. you believe you are no better the others.
    - If you would not believe so, you must have grabbed resources for your perusal because it is socially beneficial to provide resources to the best ppl
  2. you won't be able to comply to your investor request to maximize value
    - You will just give the money out an proudly go to jail for fraud and the breach of your fiduciary duty
- **Independently of your own beliefs you should always expect that your counteragents believe that they bring more value to society then you and that they are bound by obligations towards others**



Negotiation ProcessAlternative Benefits

- Better job title
- Increased signing bonus
- Earlier review
- more vacation time
- Education allowance
- Working from home
- Covered travel expenses

~ Salary Negotiation Cheat Sheet ~DOs and DON'Ts

- |                                                                                                                         |                                                           |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| <b>DO</b> negotiate benefits like vacation time, stock options, etc.                                                    | <b>DON'T</b> just try to negotiate the salary.            |
| <b>DO</b> talk about your professional accomplishments and average salaries as reasons why you deserve a higher salary. | <b>DON'T</b> bring up personal reasons.                   |
| <b>DO</b> be firm in what you say.                                                                                      | <b>DON'T</b> go back on your word.                        |
| <b>DO</b> work with the recruiter to reach a mutually beneficial outcome                                                | <b>DON'T</b> be adversarial.                              |
| <b>DO</b> mention serious job offers that are offering more benefits.                                                   | <b>DON'T</b> fabricate job offers to seem more desirable. |
- Remember!** Always be Polite & Professional  
DON'T LOSE YOUR TEMPER

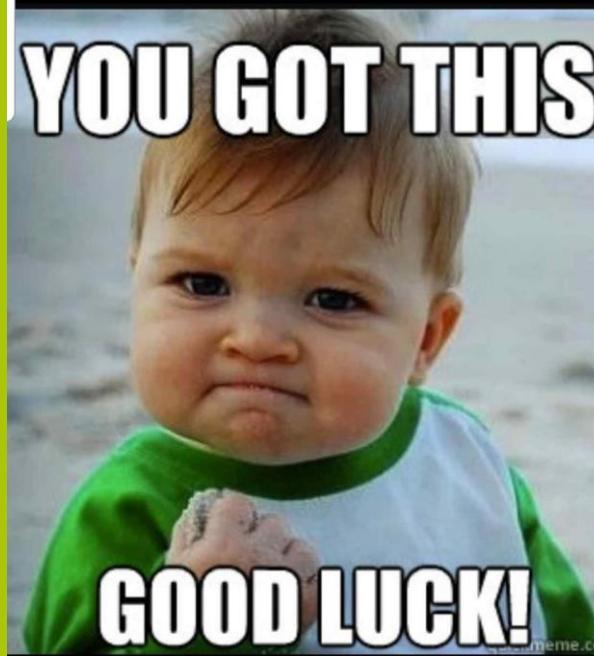
# FEEDBACK

- What to do more
- What to do less
- What to keep doing

Dmitry Kulish



thx.



Skoltech