

Syllabus

Tu/Th, 10:20 am – 12:40 am
Room E0550
October 31 – December 13
12 sessions

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Course Overview

Organizational leaders and managers in times of complex and rapidly changing environments and technologies face increasing demands for working effectively with different departments, levels, cultures and organizations. Effective negotiators are able to develop agreements with other people that allow joint work on a variety of complex problems; ineffective negotiators can embroil their departments and organizations in expensive, draining, and destructive struggles that absorb enormous amount of time, energy, resources, and talent. This course will focus on the problems and possibilities of effective negotiations, conflict management, and power and influence at work and other settings.

The course will emphasize developing both intellectual knowledge of approaches to negotiation, conflict and organizational influence and practical skills in applying that knowledge to situations drawn from organizational life and from the experience of course participants. It has been designed to encourage students to achieve the following objectives:

1. To understand the structures and dynamics of negotiation, conflict, and power in organizations.
2. To assess your own style, strengths and weaknesses for dealing with conflict situations and for exercising influence.
3. To build capacities for thinking strategically about power, conflict, and negotiations in organizations.
4. To practice and develop skills for managing negotiating situations.
5. To increase your skill at learning from your own and others' experience.

I would encourage you to pursue additional objectives of interest to you, but you are likely to be disappointed in the course if the above objectives are very different from your own.

The course will combine readings and lectures with cases, simulations, and analysis of your own experience. You will get more from the course if you are willing both to grapple intellectually with complex ideas and problems and to learn from feedback from others and from your own experience. The ideal is to integrate intellectual and experiential learning.

Course Design

The course will treat a variety of situations, including conflict between individuals, between departments, across levels, across cultural differences, and among different organizations. We will look at both two-party and multi-party situations.

Classes will typically involve cases, role-plays or simulations for students or student groups as well as discussions of readings and other course materials. Preparation for and participation in these classes will have a major impact on your learning in the course. The class offers a relatively safe place to experiment with new behavior and ideas, and you are encouraged to explore skills and strategies that might be too risky to try in other circumstances, such as on the job.

Many students in the class learn a great deal from their colleagues in small groups, who are in a position to give advice and feedback based on concrete experience with you as a negotiator. You are encouraged to use other group members as resources to prepare for and analyze the results of negotiations. The more you can develop a sense of trust and capacity for giving and receiving helpful feedback in your group, the more you are likely to learn from the course.

Course Requirements

Grades in this course will be based on several components, including (a) graded role-plays, (b) live negotiation analysis, (c) class participation, and (d) reputation index.

Graded Role-Plays (25%): Six class role-plays will be scored against objective criteria, and students will receive points appropriately. You will be graded on your best four scores of these six. The negotiations to be graded will be:

Session #2	Bentley Convertible
Session #2	Law Library
Session #3	Harley-Davidson Purchase
Session #4	El-Tek
Session #6	Redstone
Session #10	DEC vs. Riverside (conducted outside class)

PLEASE NOTE: Information about these and all role-plays will be given out in class. Each student will receive confidential information for each role. **You are not to share this information with other students, nor are you to talk about these exercises with any other students: past, present or future.**

Live Negotiation Analysis (25%): Each student is expected during the term to conduct at least one "live" negotiation that involves matters of real importance to you, such as a salary negotiation, a major purchase, or an important family - or work - related decision. The following rules apply:

1. You must negotiate for something non-trivial.
2. The other parties cannot be associated with this course (e.g., as students or teachers) or aware that this is a class exercise.
3. You should develop goals, strategy and expectations prior to the negotiation. It is generally much less useful to try to analyze a negotiation from the past, when you no longer have a chance to influence events.
4. If they are willing, you can interview other party(ies) after the negotiation to supplement your perceptions of the events.

In grading these papers I will be looking less for success ("They agreed and we all went off to the seashore to live happily ever after") than for evidence that you have thought seriously about preparing, you have examined options and alternatives, you have developed sensible negotiation strategies and tactics, you have applied course concepts and ideas, and you have shown some ability to learn from whatever happened. The papers should be no more than 6 pages long, 12 point font and double-spaced. I will be particularly interested in your ideas about how you can be more effective in the future on the basis of your analysis. This assignment is due in class on Session #12.

Class Participation (30%): The quality of this course depends in large part on the participation of its members. Participation grades will be based on quality as well as quantity. Concise on-target contributions are generally more desirable than verbal diarrhea. Since this course relies heavily on students learning from each other, one-third of your participation grade will depend on the extent to which other students perceive you as contributing substantially to their learning.

Reputation Index (20%): The Reputation Index reflects your negotiating reputation with your classmates on the basis of their experience with you over the semester. The Index is a proxy for the long-term effects of reputations created by negotiation activities in organizations, where your future relationships are affected by your past behavior. The Index recognizes that individuals who have reputations as trustworthy and effective negotiators have an advantage in future negotiations, and that individuals who are seen as untrustworthy or ineffective have a disadvantage.

Course Materials

- Books:
- R. Lewicki, D. Saunders, J. Minton, and B. Barry, *Negotiations: Readings, Exercises and Cases*, (4th Ed.) McGraw-Hill, 2002. [LSMB in syllabus]
 - R. Fisher, W. Ury and B. Patton, *Getting to Yes: Negotiating Agreement without Giving In*, Penguin, 1991.
 - R. Fisher and S. Brown, *Getting Together: Building Relationships As We Negotiate*, Penguin, 1988.
- Packet:
- See course tools for instruction on how to pay for the course materials. Once you pay, pick up a voucher as a proof-of-purchase to receive materials in class. This will cover the cost of negotiation cases and give you access to the course materials that may be posted on course tools. You must hand in a signed copy of the official voucher (picked up from the library) as a proof-of purchase.

MO 512: Class Schedule

Session #1	Introduction	November 1
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- Read:** LSMB 1.2: W. Ury, J. Brett and S. Goldberg, "Three approaches to resolving disputes."
LSMB 1.3: G. Savage, J. Blair and R. Sorenson, "Consider both relationships and substance when negotiating strategically."
- Exercise:** Oil Pricing exercise (PON)
- Role-play:** Biopharm-Seltek (Creative Consensus, DRRC)
- * *These (and all) role-plays will be handed out in class.*

PART I STRUCTURE

Session #2	Distributive Bargaining	November 3
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- Read:** LSMB 2.1: B. Scott, "Preparing for negotiations."
LSMB 2.2: T. Simons and T. Tripp, "The negotiation checklist."
- Role-play:** Bentley Convertible (PON)
- Role-play:** Law Library (PON)

Session #3	Bargaining Basics	November 8
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- Read:** LSMB 3.1: C. Craver, "Negotiation techniques."
LSMB 3.2: R. Dawson, "Secrets of power negotiating."
- Role-play:** Harley-Davidson Purchase
- Case:** Frasier (A) (HBS 9-801-447)

Session #4	Competition and Collaboration	November 10
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- Read:** R. Fischer, W. Ury and B. Patton, *Getting to Yes*, Sections I through IV.
- Role-play:** Commodity Purchase (Creative Consensus)
- Role-play:** El-Tek (DRRC)

Session #5	Integrative Bargaining I	November 15
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- Read:** R. Fischer and S. Brown, *Getting Together*, Chapters 1 through 5.
- Role-play:** Powerscreen (PON)
- Video:** Hackerstar

Session #6	Integrative Bargaining II	November 17
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- Read:** R. Fischer and S. Brown, *Getting Together*, Chapters 6 through 10.
- Role-play:** Viking (Creative Consensus, DRRC)
- Role-play:** Redstone (PON)

PART II
THE INDIVIDUAL NEGOTIATOR

Session #7 **Personal Styles** **November 22**

- Read:** LSMB 4.2: T. Anderson, "Step into my parlor: A survey of strategies and techniques for effective negotiation."
LSMB 4.3: J. Rubin, "Some wise and mistaken assumptions about conflict and negotiation."
LSMB 10.1: D. Tannen, "The power of talk."
- Role-play:** Sally Swansong I and II (PON)
- Exercise:** Thomas-Kilman Conflict Mode Instrument (Xicom)

No Class **Thanksgiving** **November 24**

Session #8 **Ethics** **November 29**

- Read:** LSMB 7.1: R. Wokutch and T. Carson, "The ethics and profitability of bluffing in business."
LSMB 7.2: R. Reitz, J. Wall and M. Love, "Ethics in negotiation: Oil and water or good lubrication?"
LSMB 7.3: R. Friedman and D. Shapiro, "Deception and mutual gains bargaining: Are they mutually exclusive?"
- Role-play:** The DONS Negotiation (PON)
- Exercise:** Ethics Questionnaires

Session #9 **Communication and Cognitive Biases** **December 1**

- Read:** LSMB 5.1: M. Neale and M. Bazerman, "Negotiating rationally: The power and impact of the negotiator's frame."
LSMB 5.2: L. Sussman, "How to frame a message."
LSMB 5.3: J. Rubin, "Psychological traps."
- Role-play:** The Sabbatical
- Role-play:** SHARC (DRRC)

PART III
COMPLEXITY in NEGOTIATIONS

Session #10 **The Social Context** **December 6**

- Read:** K. Wade-Benzoni et al. (2002) "Barriers to resolution in ideologically based negotiations: The role of values and institutions," *Academy of Management Review*, 27 (1): 41-57.
* *This reading is available on course tools.*
- Role-play:** DEC v. Riverside (PON)
* *This role-play must be completed before class.*
- Role-play:** Alpha-Beta
- Case:** Plum Creek Timber (A) (HBS N9-801-131)

Session #11 **Power and Coalitions** **December 8**

- Read:** LSMB 6.1: J. Pfeffer, "Where does power come from?"
LSMB 6.3: D. Kolb and J. Williams, "Breakthrough bargaining."
LSMB 9.3: M. Vanover, "Get things done through coalitions."
Exercise: Coalition Bargaining (LSMB exercise #17)
Role-play: Harborco (PON)

Session #12 **Third Party Intermediaries** **December 13**

- Read:** LSMB 8.1: J. Rubin and F. Sander, "When should we use agents? Direct versus representative negotiation."
LSMB 13.1: R. Lewicki, A. Hiam and K. Olander, "When and how to use third-party help."
LSMB 13.3: A. Elangovan, "The manager as third party: Deciding how to intervene in employee disputes."
Role-play: Eazy's Garage (PON)
Role-play: Amanda Project (DRRC)
Due: Live Negotiation Analysis

HONOR CODE

- Do NOT share any information about negotiation simulations with students who have not taken this class.
- Negotiation simulations are to be treated as high priority business meeting between yourself and at least one other MBS colleague. Even if you drop the course, once you pick-up a simulation case you commit to negotiate with a fellow MBS colleague in the subsequent class session. Respect your colleagues and make sure to negotiate each simulation in a business professional manner.
- Waitlist and Attendance Policy for MO512: An optimal class experience requires 36 students to attend this course (a number divisible by 2, 3, 4, and 6). Attendance is required in all classes, and thus students from the waitlist will be given spots of any enrolled students who are not present in the first class session. Two additional waitlisted students are welcome to participate in the first class session so they can enroll if anyone drops the class – so that we can retain the magic number of 36 participants. Therefore, students who attend the first class are asked to commit to taking the course within 24 hours and notify the professor directly by midnight the day following the first class, if they decide to drop the course for any reason (no need to explain why – your role materials for class 2 will be passed to one of the waitlisted students who will take your spot).
- Any information you receive for a negotiating exercise is confidential. Never assume 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.
- The information you need in order to negotiate is provided in the case materials. Do not make up facts that improve your bargaining position. During a negotiation exercise, if you were 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) your answer would be “I don’t know.”
- 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. Do NOT share any of this material with students who have not taken this course!